

UTS ANNUAL REPORT 2013

FINANCES AND APPENDICES

# UTS ANNUAL REPORT 2013

## FINANCIAL STATEMENTS

University of Technology, Sydney	2
UTS Global Pty Ltd	63
INSEARCH Limited	74
accessUTS Pty Limited	107

## APPENDICES

1	Controlled entities	123
2	Meetings of Council members	124
3	Executive performance and remuneration	126
4	Employees	128
5	Equal employment opportunity trends	129
6	Multicultural policies and services	130
7	Disability plans	131
8	Safety and wellbeing	131
9	Overseas travel	132
10	Insurance	132
11	Legislative matters	132
12	Consumer response	133
13	Privacy	133
14	Right to information	134
15	Public interest disclosures	138
16	Public inquiry	138
17	Internal audit	138
18	Risk management	139
19	Consultants	140
20	Land disposals	144
21	Land register	144
22	Works in progress and completed	145

<b>INDEX</b>	146
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Acknowledgments and contacts	147
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# University of Technology, Sydney

Statement by appointed officers	3
Independent auditor's report	4
Income statement	6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
1. Summary of significant accounting policies	11
2. Revenue from continuing operations	17
3. Expenses from continuing operations	21
4. Borrowing costs	23
5. Sales of assets	24
6. Income tax	24
7. Key management personnel disclosures	25
8. Remuneration of auditors	27
9. Cash and cash equivalents	27
10. Receivables	27
11. Other financial assets	29
12. Other non-financial assets	30
13. Non-current assets classified as held for sale	30
14. Investments accounted for using the equity method	30
15. Property, plant and equipment	33
16. Intangible assets	35
17. Trade and other payables	37
18. Borrowings	38
19. Provisions	39
20. Other financial liabilities	40
21. Other liabilities	40
22. Reserves and retained earnings	40
23. Commitments	41
24. Non-cash financing and investing activities	42
25. Defined benefits plans	43
26. Contingent assets and contingent liabilities	49
27. Economic dependency	49
28. Subsidiaries	49
29. Related parties	50
30. Disaggregation information (consolidated)	50
31. Events occurring after the balance sheet date	50
32. Reconciliation of operating result after income tax to net cash flows from operating activities	51
33. Acquittal of Australian Government financial assistance	52
34. Financial risk management	57

## Statement by appointed officers

### STATEMENT BY APPOINTED OFFICERS

#### Statement in accordance with section 41C(1B) and (1C) of the *Public Finance and Audit Act 1983*

In accordance with a resolution of the Council of the University of Technology, Sydney and pursuant to section 41C(1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

1. the financial statements present a true and fair value of the financial position of the University at 31 December 2013 and the results of its operations and transactions of the University for the year then ended
2. the financial statements have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010* and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2013 Reporting Period" issued by the Australian Government Department of Education
3. the financial statements have been prepared in accordance with Australian Accounting Standards (AASB), AASB interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate
5. there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due
6. the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted, and
7. the University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in these financial statements.



R D Milbourne  
Vice-Chancellor



B Wilson  
Chair, Finance Committee

16<sup>th</sup> April 2014

# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

### University of Technology, Sydney

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of University of Technology, Sydney (the University), which comprise the statements of financial position as at 31 December 2013, the income statement, statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2013, and of the financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2013 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*

My opinion should be read in conjunction with the rest of this report.

### University Council's Responsibility for the Financial Statements

The Council of the University is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the Guideline, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

## Independent auditor's report

on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the University or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Caroline Karakatsanis  
Director, Financial Audit Services

16 April 2014  
SYDNEY

# Income statement

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Income from continuing operations</b>					
Australian Government financial assistance					
> Australian Government grants	2.1	229,496	231,440	229,496	231,440
> HELP — Australian Government payments	2.1	156,434	139,131	148,629	131,072
State and local government financial assistance	2.2	4,120	6,044	4,120	6,044
HECS-HELP — student payments		20,965	20,359	20,965	20,359
Fees and charges	2.3	235,639	214,468	194,901	184,189
Investment revenue	2.4	9,375	14,772	7,836	13,195
Royalties, trademarks and licences	2.5	468	73	714	48
Consultancy and contracts	2.6	17,970	14,976	14,879	11,470
Other revenue	2.7	23,223	19,153	25,333	19,950
<b>Total revenue from continuing operations</b>		<b>697,690</b>	<b>660,416</b>	<b>646,873</b>	<b>617,767</b>
Gains on disposal of assets	5	14	155	15	236
Share of profit on investments accounted for using the equity method	14	525	1,286	–	–
Other investment income	2.4	890	–	890	–
Other income	2.7	20,906	21,257	22,197	22,301
<b>Total income from continuing operations</b>		<b>720,025</b>	<b>683,114</b>	<b>669,975</b>	<b>640,304</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	3.1	394,128	377,228	364,450	350,612
Depreciation and amortisation	3.2	62,466	62,651	57,839	58,501
Repairs and maintenance	3.3	10,021	9,353	9,672	8,937
Borrowing costs	4	4,409	3,323	4,379	3,271
Impairment of assets	3.4	27	(117)	34	(124)
Deferred super expense	3.1	542	552	542	552
Other expenses	3.5	180,953	168,849	168,482	159,388
<b>Total expenses from continuing operations</b>		<b>652,546</b>	<b>621,839</b>	<b>605,398</b>	<b>581,137</b>
<b>Operating result before income tax</b>		<b>67,479</b>	<b>61,275</b>	<b>64,577</b>	<b>59,167</b>
Income tax expense	6	23	27	–	–
<b>Operating result from continuing operations</b>		<b>67,456</b>	<b>61,248</b>	<b>64,577</b>	<b>59,167</b>
<b>Operating result attributable to members of the University of Technology, Sydney</b>					
		67,456	61,248	64,577	59,167
Operating result attributable to members from:					
> continuing operations		67,456	61,248	64,577	59,167
<b>Total</b>		<b>67,456</b>	<b>61,248</b>	<b>64,577</b>	<b>59,167</b>

The above income statement should be read in conjunction with the accompanying notes.

# Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Operating result after income tax for the period</b>		67,456	61,248	64,577	59,167
<b>Items that may be reclassified to profit or loss</b>					
Exchange differences on translation of foreign operations	22 (b)	177	(126)	–	–
Gain/(loss) on revaluation of available for sale financial assets, net of tax	22 (b)	(140)	379	(140)	379
Cash flow hedges, net of tax	22 (b)	(603)	–	(603)	–
<b>Total items that may be reclassified to profit or loss</b>		(566)	253	(743)	379
<b>Items that will not be reclassified to profit or loss</b>					
Gain/(loss) on revaluation of property, plant and equipment, net of tax	22 (b)	31,117	9,639	31,117	9,639
Net actuarial gains (losses) recognised in respect of defined benefit plans	25	831	(429)	831	(429)
<b>Total items that will not be reclassified to profit or loss</b>		31,948	9,210	31,948	9,210
<b>Total comprehensive income attributable to members of the University of Technology, Sydney</b>		<b>98,838</b>	<b>70,711</b>	<b>95,782</b>	<b>68,756</b>
Total comprehensive income attributable to members from: > continuing operations		98,838	70,711	95,782	68,756
<b>Total</b>		<b>98,838</b>	<b>70,711</b>	<b>95,782</b>	<b>68,756</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.



## Statement of financial position

AS AT 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	142,370	241,097	87,908	198,868
Receivables	10	20,025	16,165	15,937	12,188
Other financial assets	11	9,608	49	9,608	49
Other non-financial assets	12	20,167	19,935	16,056	18,128
Non-current assets classified as held for sale	13	–	–	–	–
<b>Total current assets</b>		<b>192,170</b>	<b>277,246</b>	<b>129,509</b>	<b>229,233</b>
<b>Non-current assets</b>					
Receivables	10	397,110	451,645	397,110	450,520
Investments accounted for using the equity method	14	9,276	8,144	–	–
Other financial assets	11	48	2,002	3,687	4,972
Other non-financial assets	12	165	607	165	607
Property, plant and equipment	15	1,486,924	1,226,960	1,478,850	1,213,818
Intangible assets	16	25,492	22,458	21,649	20,836
<b>Total non-current assets</b>		<b>1,919,015</b>	<b>1,711,816</b>	<b>1,901,461</b>	<b>1,690,753</b>
<b>Total assets</b>		<b>2,111,185</b>	<b>1,989,062</b>	<b>2,030,970</b>	<b>1,919,986</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	17	58,937	46,768	55,254	42,256
Borrowings	18	3,371	3,617	3,181	3,370
Provisions	19	78,556	84,616	76,343	82,588
Other liabilities	21	40,193	31,334	15,017	15,094
<b>Total current liabilities</b>		<b>181,057</b>	<b>166,335</b>	<b>149,795</b>	<b>143,308</b>
<b>Non-current liabilities</b>					
Borrowings	18	102,191	43,069	102,144	42,823
Provisions	19	419,862	471,003	418,085	469,294
Other financial liabilities	20	603	–	603	–
Other liabilities	21	25	46	–	–
<b>Total non-current liabilities</b>		<b>522,681</b>	<b>514,118</b>	<b>520,832</b>	<b>512,117</b>
<b>Total liabilities</b>		<b>703,738</b>	<b>680,453</b>	<b>670,627</b>	<b>655,425</b>
<b>Net assets</b>		<b>1,407,447</b>	<b>1,308,609</b>	<b>1,360,343</b>	<b>1,264,561</b>
<b>Equity</b>					
<b>Parent entity interest</b>					
Reserves	22 (a)	603,873	573,322	605,097	574,723
Retained earnings	22 (d)	803,574	735,287	755,246	689,838
<b>Total equity</b>		<b>1,407,447</b>	<b>1,308,609</b>	<b>1,360,343</b>	<b>1,264,561</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2013

	Reserves \$'000	Retained earnings \$'000	Total \$'000
<b>Consolidated</b>			
<b>Balance at 1 January 2012</b>	563,430	674,468	1,237,898
Profit or loss	–	61,248	61,248
Exchange differences on translation of foreign operations	(126)	–	(126)
Change in fair value of available for sale financial assets	379	–	379
Gain/(loss) on revaluation of property, plant and equipment	9,639	–	9,639
Change in fair value of cash flow hedges	–	–	–
Net actuarial gains (losses) recognised in respect of defined benefit plans	–	(429)	(429)
Total comprehensive income	9,892	60,819	70,711
Balance at 31 December 2012	573,322	735,287	1,308,609
<b>Balance at 1 January 2013</b>	573,322	735,287	1,308,609
Profit or loss	–	67,456	67,456
Exchange differences on translation of foreign operations	177	–	177
Change in fair value of available for sale financial assets	(140)	–	(140)
Gain/(loss) on revaluation of property, plant and equipment	31,117	–	31,117
Change in fair value of cash flow hedges	(603)	–	(603)
Net actuarial gains (losses) recognised in respect of defined benefit plans	–	831	831
Total comprehensive income	30,551	68,287	98,838
<b>Balance at 31 December 2013</b>	<b>603,873</b>	<b>803,574</b>	<b>1,407,447</b>
<b>Parent</b>			
<b>Balance at 1 January 2012</b>	564,705	631,100	1,195,805
Profit or loss	–	59,167	59,167
Exchange differences on translation of foreign operations	–	–	–
Change in fair value of available for sale financial assets	379	–	379
Gain/(loss) on revaluation of property, plant and equipment	9,639	–	9,639
Change in fair value of cash flow hedges	–	–	–
Net actuarial gains (losses) recognised in respect of defined benefit plans	–	(429)	(429)
Total comprehensive income	10,018	58,738	68,756
Balance at 31 December 2012	574,723	689,838	1,264,561
<b>Balance at 1 January 2013</b>	<b>574,723</b>	<b>689,838</b>	<b>1,264,561</b>
Profit or loss	–	64,577	64,577
Changes from comprehensive income	–	–	–
Exchange differences on translation of foreign operations	–	–	–
Change in fair value of available for sale financial assets	(140)	–	(140)
Gain/(loss) on revaluation of property, plant and equipment	31,117	–	31,117
Change in fair value of cash flow hedges	(603)	–	(603)
Net actuarial gains (losses) recognised in respect of defined benefit plans	–	831	831
<b>Total comprehensive income</b>	<b>30,374</b>	<b>65,408</b>	<b>95,782</b>
<b>Balance at 31 December 2013</b>	<b>605,097</b>	<b>755,246</b>	<b>1,360,343</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Cash flows from operating activities</b>					
Australian Government grants	33	383,932	371,658	376,127	363,599
OS-Help (net)	33	552	210	552	210
State government grants received	2.2	3,710	5,666	3,710	5,666
Local government grants received	2.2	410	378	410	378
HECS-HELP — student payments		20,965	20,359	20,965	20,359
Receipts from student fees and other customers		343,532	301,233	296,824	266,087
Dividends received		2,602	1,052	57	85
Interest received		10,266	12,913	8,689	12,423
Payments to suppliers and employees (inclusive of goods and services tax)		(639,888)	(569,469)	(595,565)	(533,928)
Interest and other costs of finance		(4,290)	(3,323)	(4,244)	(3,271)
Income taxes paid		27	(27)	–	–
<b>Net cash provided by/(used in) operating activities</b>	32	<b>121,818</b>	<b>140,650</b>	<b>107,525</b>	<b>131,608</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment	5	85	10,355	83	10,354
Proceeds from sale of financial assets		2,371	62	2,370	61
Payments for financial assets		(9,695)	–	(9,695)	–
Payments for property, plant and equipment		(268,882)	(159,262)	(267,221)	(155,378)
<b>Net cash provided by/(used in) investing activities</b>		<b>(276,121)</b>	<b>(148,845)</b>	<b>(274,463)</b>	<b>(144,963)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		60,000	–	60,000	–
Payment of capitalised borrowing costs		(134)	(327)	(134)	(327)
Repayment of finance leases		(4,290)	(4,031)	(3,888)	(3,843)
<b>Net cash provided by/(used in) financing activities</b>		<b>55,576</b>	<b>(4,358)</b>	<b>55,978</b>	<b>(4,170)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
Cash and cash equivalents at the beginning of the financial year		241,097	253,650	198,868	216,393
<b>Cash and cash equivalents at end of the financial year</b>	9	<b>142,370</b>	<b>241,097</b>	<b>87,908</b>	<b>198,868</b>
<b>Financing arrangements</b>	18(b)				
<b>Non-cash financing and investing activities</b>	24				

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied by all entities to all the years presented, unless otherwise stated. The financial statements include separate financial statements for the University of Technology, Sydney as an individual entity and the consolidated entity consisting of University of Technology, Sydney and its subsidiaries.

The principal address of the University of Technology, Sydney is 15 Broadway, Broadway, NSW 2007.

The financial statements were authorised for issue by the Council of the University of Technology, Sydney on 16 April 2014.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of:

- (i) the Australian Accounting Standards including the Australian equivalents to the International Financial Reporting Standards (AIFRS)
- (ii) other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and AASB Interpretations
- (iii) the *Financial Statements Guidelines for Australian Higher Education Providers for the 2013 Reporting Period* issued by the Commonwealth Department of Education
- (iv) the *Public Finance and Audit Act 1983* (NSW) and the Public Finance and Audit Regulation 2010 (NSW)
- (v) the *Higher Education Support Act 2003* (Cwlth).

These financial statements have been prepared on an accrual accounting and going concern basis and under the historical cost convention, modified by the revaluation at fair value of land and buildings, financial assets, derivative instruments and certain classes of plant and equipment.

#### Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian equivalents to the International Financial Reporting Standards (AIFRS) but also include some requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The financial statements and notes of the University of Technology, Sydney comply with the Australian Accounting Standards as they apply to not-for-profit entities and hence are inconsistent with IFRS requirements in some instances.

#### Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the University of Technology, Sydney's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are the calculation of the defined superannuation benefits, long service leave, annual leave and doubtful debt provisions. Annual leave and long service leave provisions have been valued based on actuarial assessments conducted by KPMG. The estimates and underlying assumptions are reviewed on an ongoing basis. The unfunded superannuation liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (refer note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur.

### (b) Basis of consolidation

#### (i) Subsidiaries

The financial statements are for the University of Technology, Sydney consolidated reporting entity consisting of:

- > University of Technology, Sydney
- > INSEARCH Limited, a controlled entity of the University
- > INSEARCH Shanghai Limited, a controlled entity of INSEARCH Limited
- > INSEARCH Education International Pty Limited
- > INSEARCH Education Limited
- > accessUTS Pty Limited, a controlled entity of the University
- > UTS Global Pty Ltd, a controlled entity of the University.

The accounting policies adopted in preparing the financial statements have been consistently applied by entities in the consolidated entity except as otherwise indicated. The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated. Separate financial statements are prepared for the same period by the University's controlled entities, which are audited by the Auditor General of New South Wales.

### (c) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the University of Technology, Sydney's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are initially translated into Australian currency at the rate of exchange current at the date of transaction. At balance date, amounts payable and receivable in foreign currencies are translated to Australian currency at rates current at balance date. Resulting exchange differences are brought to account in determining the profit or loss for the year.

#### (iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- > assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- > income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- > all resulting exchange differences are recognised as a separate component of equity.

### (d) Revenue recognition

In accordance with AASB1004 *Contributions* the operating and research grants provided by the government under the *Higher Education Support Act 2003* (Cwlth) are considered to be contributions of assets, or non-reciprocal transfers, and are therefore recognised in the year in which they are received. Payments from the Higher Education Trust Fund are considered to be revenue arising from the provision of a service and so have been treated as income in advance where they relate to the next reporting period.

Revenue from student fees is recognised for enrolments current as at the census date for each semester.

Investment income is recognised as it accrues.

Revenue from sales or the provision of services is recognised in the period in which the goods are supplied or the services provided.

Donations are accounted for on a cash basis.

### (e) Income tax

The parent entity, the University of Technology, Sydney, is exempt from income tax under section 50-1 of the *Income Tax Assessment Act 1997*.

For the tax paying entities of the group, the income tax expense on revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### (f) Leases

The University leases a range of assets and accounts for these as either operating or finance leases in accordance with the requirements of AASB 117 *Leases*.

Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Payments made under operating leases (net of any incentives received from the lessor) are recognised as an expense in the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

Operating lease commitments are recorded on a GST inclusive basis. Finance leases are recorded on a GST exclusive basis.

Details of leased assets are provided in note 23.

### (g) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

### (h) Impairment of assets

Assets that have an infinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### (i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at banks, term deposits and deposits at call.

### (j) Receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less provision for impairment.

Non-current receivables are recognised at fair value.

Collectability of trade receivables is reviewed on an ongoing basis. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts which are known to be uncollectible are written off to the income statement.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## (k) Inventories

The University holds no inventory.

## (l) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are stated at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the holding of assets classified as held for sale continue to be recognised.

## (m) Investments and other financial assets

The group classifies its investments in the following categories:

### (i) Financial assets at fair value through profit or loss

The group's investments in managed funds are classified as financial assets at fair value through profit or loss. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. These assets are initially recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the income statement.

### (ii) Available-for-sale financial assets

Investments in listed securities have been classified as available-for-sale financial assets. These assets are initially recognised at cost including the acquisition charges associated with the investment, being the fair value of the consideration given. Available-for-sale financial assets are subject to review for impairment. Gains or losses on available-for-sale investments are recognised in equity until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

### (iii) Other financial assets

Equity instruments that are not quoted in an active market have been classified as other financial assets and have been recognised at cost less impairment.

## (n) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged. The group designates derivatives as hedges of highly probable forecast transactions (cash flow hedges).

### (i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the balance sheet under property, plant and equipment as per the capitalisation election under AASB 123 *Borrowing Costs*.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

Details of the derivatives held by the group are disclosed in note 34.

## (o) Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets and liabilities traded in active markets, such as financial instruments traded in active markets, is based on quoted market prices at the balance sheet date (level 1).

The fair value of assets or liabilities that are not traded in an active market (for example, defined benefit superannuation liabilities) is determined using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date (level 2). Fair value measurement of non-financial assets is based on the highest and best use of the asset. The group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The value of long-term debt instruments has been calculated using the amortised cost method.

Other techniques that are not based on observable market data (level 3), such as estimated discounted cash flows or cost, are used to determine fair value for the remaining assets and liabilities.

## (p) Property, plant and equipment

### (i) Initial recognition and measurement

Assets with a useful life of more than 12 months and an acquisition cost of more than \$5000 are initially capitalised at cost. Costs incurred on plant and equipment which do not meet the capitalisation criteria are expensed as incurred. Following initial recognition at cost, land, buildings and works of art are carried at fair value. Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of revaluation less any subsequent accumulated depreciation on buildings.

The library collection is recorded at depreciated replacement cost.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (p) Property, plant and equipment (continued)

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

#### (ii) Revaluations

Independent valuations are performed with sufficient regularity, or once every three years, to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date.

Revaluation surpluses have been credited to the asset revaluation reserve included in the equity section of the statement of financial position.

#### (iii) Depreciation

Land and works of art are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Asset class	Depreciation rate (%)	Depreciation method
Buildings	2.00	Straight line
Building infrastructure	4.00	Straight line
Electrical installations	4.00	Straight line
Suspended ceilings	5.00	Straight line
Carpet and carpet tiles	6.66 to 10.00	Straight line
Motor vehicles	20.00	Straight line
Computers	33.33	Straight line
Computer software — major	14.30	Straight line
Office, teaching and research equipment	20 to 25	Straight line
Library collection	12.50	Straight line, 5% residual

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### (iv) Impairment

Property, plant and equipment assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### (v) Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

### (q) Intangible assets

#### (i) Research and development

In accordance with the requirements of AASB 138 *Intangible Assets*, no intangible asset arising from research is recognised. Expenditure on research activities is recognised in the income statement as an expense when it is incurred.

The group has not incurred expenditure on development activities that meets the capitalisation criteria under AASB 138 *Intangible Assets* and hence has not recognised any intangible assets arising from development projects.

#### (ii) Software

Software, where the software is not an integral part of the related hardware, is classified as an intangible asset with a finite life. Amortisation is charged on a straight line basis at the rate of 14.30% per annum.

#### (iii) Perpetual licences for online serials

The consolidated entity has purchased a number of licences which provide access to online serials in perpetuity. These assets are not subject to amortisation as they have an indefinite useful life but are tested annually for impairment.

### (r) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA), now known as the Department of Education, the effects of the unfunded superannuation liabilities of the group were recorded in the income statement and the balance sheet for the first time in 1998. The previous practice had been to disclose these liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur.

An arrangement exists between the Australian Government and the NSW State Government to meet the unfunded liability for the group's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *Higher Education Funding Act 1988* and the *Higher Education Support Act 2003* (Cwlth). Accordingly the unfunded liabilities have been recognised in the statement of financial position under provisions with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not materially affect the year end net asset position of the group.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## (s) Trade and other payables

Accounts payable, including accruals, represent liabilities for goods and services provided to the economic entity prior to the end of the 2013 reporting period. These amounts are usually settled on 30 day terms.

## (t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement through the amortisation process.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability and does not expect to settle the liability for at least 12 months after the balance sheet date.

The University has obtained a \$300 million revolving five-year debt facility with the National Australia Bank to fund the current capital expenditure program. As at 31 December 2013 funds to the value of \$60 million have been drawn down from this facility by the University.

## (u) Borrowing costs

Borrowing costs except those incurred for the construction of any qualifying asset are expensed as per AASB 123 *Borrowing Costs*. Borrowing costs incurred for the construction of any qualifying assets are capitalised as per AASB 123 *Borrowing Costs*. For immaterial prepaid borrowing costs relating to qualifying assets, the University amortises the expense on a straight line basis which is a departure from the standard. The amounts are regarded as immaterial and does not affect the operating result over the term of the loan.

## (v) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; that is, when it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at the Australian Government bond rate.

## (w) Employee benefits

### (i) Wages, salaries and sick leave

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date, are recognised in other payables and provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Sick leave is included in salaries and wages when the sick leave is taken.

### (ii) Long service leave and annual leave

The liability for long service leave and annual leave is calculated on a present value basis. This is done using the total nominal value, including on costs and allowing for known pay increases, of all leave accrued but not taken, including pre-conditional leave. This figure is then adjusted according to the staff profile and a factor designed to compensate for inflation and wage increases. Expected future payments are discounted using market yields at the reporting date on national government bonds. The group records long service leave and annual leave as a current liability when all conditions for settlement are met.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

The University in 2013 engaged KPMG to conduct an actuarial assessment of the long service leave provision and annual leave provision to satisfy the requirements of AASB 119 *Employee Benefits*. The actuarial assessment for long service leave updated the previous assessment conducted in 2012. The 2013 annual leave actuarial assessment is the initial assessment to comply with the new conditions of AASB 119 *Employee Benefits*.

### (iii) Superannuation

Employees of the group are entitled to benefits on retirement, disability or death from the group's superannuation plans. The group has both defined contribution plans and defined benefit plans. The defined benefit plans provide employees with defined benefits based on years of service and final average salary.

Contributions to the superannuation funds are recognised in the income statement as an expense as they become payable.

The liability or asset in respect of the defined benefit plans is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past service costs are recognised in income immediately. Contributions to the defined contribution section of the University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

A liability or asset in respect of the defined benefit superannuation plan for UniSuper has not been recognised in the statement of financial position based on advice from UniSuper that the defined benefit plan is a contribution fund for the purposes of AASB119 due to the amendment of the trust deed during 2006 (clause 34 of the UniSuper Trust Deed). The plan has been classified as a contribution plan in the parent entity's accounts.

### (iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.



# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (x) Joint ventures

For the consolidated entity financial statements, the interest in jointly controlled entities are accounted for using the equity method. Under this method, the share of the profits or losses of the joint venture is recognised in the income statement. In addition the share of movements in reserves are recognised in the statement of comprehensive income and the statement of changes in equity. Details of joint ventures are set out in note 14.

### (y) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the costs of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### (z) Comparative amounts

Where necessary, the classifications of 2013 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2012 operating result (or the financial position) of the University.

### (aa) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2013 reporting period. The recently issued or amended standards are not expected to have a material impact on the University's statutory accounts. The University has not exercised the right to early adopt any new or revised accounting standard.

### (ab) Changes in accounting policy

There have been no changes to accounting policy in the 2013 year apart from the adoption of certain mandatory standards. The University has complied with the revisions in AASB 119 *Employee Benefits* as per note 1(w). The unfunded liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (refer note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur. In 2013 the annual leave provision was valued based an actuarial assessment due to amendments to AASB 119 *Employee Benefits*. The impact to the income statement was negative \$395,000. Amendments to AASB 119 *Employee Benefits* also impacted the valuation of actuarial gains and losses for defined benefit plans due to the mandatory use of the 10-year government bond rate as the discount rate. The impact to the income statement was a negative \$238,000 with a corresponding positive impact to the statement of comprehensive income.

### (ac) Rounding of amounts

Amounts in the financial statements where applicable have been rounded off to the nearest thousand dollars.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>2. REVENUE FROM CONTINUING OPERATIONS</b>					
<b>2.1 Australian Government financial assistance including Australian Government loan programs (HELP)</b>					
<b>(a) Commonwealth Grant Scheme and other grants</b>					
	33.1				
Commonwealth Grant Scheme <sup>1</sup>		157,825	152,965	157,825	152,965
Indigenous Support Program		933	982	933	982
Partnership and Participation Program <sup>2</sup>		3,201	2,298	3,201	2,298
Disability Support Program		405	246	405	246
Diversity and Structural Adjustment Fund <sup>3</sup>		–	373	–	373
Transitional Cost Program		–	299	–	299
Promotion of Excellence in Learning and Teaching		401	51	401	51
<b>Total Commonwealth Grant Scheme and other grants</b>		<b>162,765</b>	<b>157,214</b>	<b>162,765</b>	<b>157,214</b>
<b>(b) Higher education loan programs</b>					
	33.2				
HECS-HELP		104,566	88,122	104,566	88,122
FEE-HELP		49,261	49,052	41,456	40,993
SA-HELP		2,607	1,957	2,607	1,957
<b>Total higher education loan programs</b>		<b>156,434</b>	<b>139,131</b>	<b>148,629</b>	<b>131,072</b>
<b>(c) Scholarships</b>					
	33.7				
Australian Postgraduate Awards		4,706	4,354	4,706	4,354
International Postgraduate Research Scholarships		399	384	399	384
Commonwealth Education Cost Scholarships <sup>4</sup>		(564)	640	(564)	640
Commonwealth Accommodation Scholarships <sup>4</sup>		(10)	38	(10)	38
Indigenous Access Scholarships		–	59	–	59
<b>Total scholarships</b>		<b>4,531</b>	<b>5,475</b>	<b>4,531</b>	<b>5,475</b>
<b>(d) Education research</b>					
	33.6				
Joint Research Engagement Program <sup>5</sup>		4,860	4,771	4,860	4,771
Research Training Scheme		10,716	10,290	10,716	10,290
Research Infrastructure Block Grants		2,161	2,345	2,161	2,345
Commercialisation Training Scheme		(32)	–	(32)	–
Sustainable Research Excellence in Universities		1,708	1,576	1,708	1,576
<b>Total Education research grants</b>		<b>19,413</b>	<b>18,982</b>	<b>19,413</b>	<b>18,982</b>

1. Includes the basic CGS grant amount, CGS – regional loading, CGS – enabling loading, maths and science transition loading and full fee places transition loading.

2. Includes Equity Support Program.

3. Includes Collaboration and Structural Reform Program.

4. Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

5. Includes Institutional Grants Scheme.

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>2. REVENUE FROM CONTINUING OPERATIONS (continued)</b>					
<b>(e) Australian Research Council</b>	33.3				
<i>(i) Discovery</i>					
> Project		5,088	5,515	5,088	5,515
> Federation Fellowships		–	(39)	–	(39)
> Future Fellowships		1,772	2,014	1,772	2,014
> Indigenous Researchers Development		–	36	–	36
> Early Career Researcher Award		604	380	604	380
> Indigenous		47	34	47	34
<b>Total Discovery</b>		<b>7,511</b>	<b>7,940</b>	<b>7,511</b>	<b>7,940</b>
<i>(ii) Linkages</i>					
> Projects	33.4	2,087	2,597	2,087	2,597
> International		–	–	–	–
> Infrastructure		1,251	364	1,251	364
> Special research initiatives		12	–	12	–
<b>Total Linkages</b>		<b>3,350</b>	<b>2,961</b>	<b>3,350</b>	<b>2,961</b>
<i>(iii) Networks and centres</i>					
> Research networks	33.5	3	–	3	–
> Centres		255	116	255	116
<b>Total networks and centres</b>		<b>258</b>	<b>116</b>	<b>258</b>	<b>116</b>
<b>(f) Other capital funding</b>	33.8				
Teaching and Learning Capital Fund		–	–	–	–
Education Investment Fund		17,000	28,200	17,000	28,200
<b>Total other capital funding</b>		<b>17,000</b>	<b>28,200</b>	<b>17,000</b>	<b>28,200</b>
<b>(g) Other Australian Government financial assistance</b>					
Non-capital					
University of Western Sydney		2,387	17	2,387	17
CSIRO		1,901	475	1,901	475
National Health and Medical Research Council		1,523	1,795	1,523	1,795
Department of Health and Ageing		1,242	959	1,242	959
University of New South Wales		806	436	806	436
Department of Education		720	1,425	720	1,425
AusAID		659	116	659	116
Cancer Australia		339	400	339	400
Monash University		302	495	302	495
University of Queensland		235	518	235	518
Other		4,554	3,916	4,554	3,916
<b>Total non-capital other Australian Government financial assistance</b>		<b>14,668</b>	<b>10,552</b>	<b>14,668</b>	<b>10,552</b>
<b>Total Australian Government financial assistance</b>		<b>385,930</b>	<b>370,571</b>	<b>378,125</b>	<b>362,512</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Australian Government financial assistance including Australian Government loan programs (continued)</b>					
<b>Reconciliation</b>					
Australian Government grants (a+c+d+e+f+g)		229,496	231,440	229,496	231,440
HECS-HELP payments		104,566	88,122	104,566	88,122
FEE-HELP payments		49,261	49,052	41,456	40,993
SA-HELP payments		2,607	1,957	2,607	1,957
<b>Total Australian Government financial assistance</b>		<b>385,930</b>	<b>370,571</b>	<b>378,125</b>	<b>362,512</b>
<b>(h) Australian Government grants received — cash basis</b>					
CGS and other Education grants		162,765	157,214	162,765	157,214
Higher education loan programs		155,911	141,078	148,106	133,019
Scholarships		4,140	5,866	4,140	5,866
Education research		19,445	18,982	19,445	18,982
ARC grants — Discovery		6,892	7,229	6,892	7,229
ARC grants — Linkages		3,111	2,537	3,111	2,537
Other capital funding		17,000	28,200	17,000	28,200
Other Australian Government grants		14,668	10,552	14,668	10,552
<b>Total Australian Government grants received — cash basis</b>		<b>383,932</b>	<b>371,658</b>	<b>376,127</b>	<b>363,599</b>
OS-HELP (net)		3,032	2,209	3,032	2,209
<b>Total Australian Government funding received — cash basis</b>		<b>386,964</b>	<b>373,867</b>	<b>379,159</b>	<b>365,808</b>
<b>2.2 State and local government financial assistance</b>					
Non-capital					
New South Wales State Government		3,263	3,382	3,263	3,382
Other state governments		447	1,388	447	1,388
Local government		410	378	410	378
<b>Total non-capital</b>		<b>4,120</b>	<b>5,148</b>	<b>4,120</b>	<b>5,148</b>
Capital					
New South Wales State Government		–	896	–	896
<b>Total capital</b>		<b>–</b>	<b>896</b>	<b>–</b>	<b>896</b>
<b>Total state and local government financial assistance</b>		<b>4,120</b>	<b>6,044</b>	<b>4,120</b>	<b>6,044</b>
<b>2.3 Fees and charges</b>					
<b>Course fees and charges</b>					
Fee-paying overseas students		196,612	176,337	156,690	146,204
Continuing education		4,184	5,694	4,187	5,700
Fee-paying domestic postgraduate students		11,942	11,024	11,942	11,024
Fee-paying domestic undergraduate students		1,917	2,522	1,917	2,522
Other domestic course fees and charges		13,720	12,090	13,720	12,090
<b>Total course fees and charges</b>		<b>228,375</b>	<b>207,667</b>	<b>188,456</b>	<b>177,540</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>2. REVENUE FROM CONTINUING OPERATIONS (continued)</b>					
<b>2.3 Fees and charges (continued)</b>					
<b>Other non-course fees and charges</b>					
Library charges		407	325	1,128	1,137
Student accommodation charges		1,222	835	-	-
Student Services and Amenities Fee from students		2,766	2,265	2,766	2,265
Medical fees		755	582	755	603
English Testing Centre		1,796	2,644	1,796	2,644
Other fees and charges		318	150	-	-
<b>Total other non-course fees and charges</b>		<b>7,264</b>	<b>6,801</b>	<b>6,445</b>	<b>6,649</b>
<b>Total fees and charges</b>		<b>235,639</b>	<b>214,468</b>	<b>194,901</b>	<b>184,189</b>
<b>2.4 Investment revenue and income</b>					
Interest		9,318	14,687	7,779	13,110
Dividends		57	85	57	85
<b>Total investment revenue</b>		<b>9,375</b>	<b>14,772</b>	<b>7,836</b>	<b>13,195</b>
Change in fair value of financial assets designated at fair value through profit and loss		890	-	890	-
Change in fair value of financial assets classified as held for trading		-	-	-	-
<b>Total other investment income</b>		<b>890</b>	<b>-</b>	<b>890</b>	<b>-</b>
<b>Net investment income</b>		<b>10,265</b>	<b>14,772</b>	<b>8,726</b>	<b>13,195</b>
<b>2.5 Royalties, trademarks and licences</b>		<b>468</b>	<b>73</b>	<b>714</b>	<b>48</b>
<b>2.6 Consultancy and contracts</b>					
Contract research		11,452	8,297	11,452	8,297
Consultancy		6,518	6,679	3,427	3,173
<b>Total consultancy and contracts</b>		<b>17,970</b>	<b>14,976</b>	<b>14,879</b>	<b>11,470</b>
<b>2.7 Other revenue and income</b>					
<b>Other revenue</b>					
Contribution from INSEARCH Limited		-	-	2,648	1,099
Donations and bequests		8,349	5,018	8,349	5,018
Foreign exchange gain/(loss) (net) (note (a))		396	(41)	7	5
Non-government grants		414	1,047	414	1,047
Scholarships and prizes		4,096	3,179	4,145	3,226
Services		2,463	2,847	2,360	2,397
Sponsorships		2,175	1,962	2,219	2,003
Other		5,330	5,141	5,191	5,155
<b>Total other revenue</b>		<b>23,223</b>	<b>19,153</b>	<b>25,333</b>	<b>19,950</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Other income</b>					
Hire and rental		18,823	18,126	19,800	18,881
Profit/(loss) on sale of shares		192	(45)	192	(45)
Contributions for salary from other entities		1,161	2,390	1,256	2,480
Sale of goods		730	786	949	985
<b>Total other income</b>		<b>20,906</b>	<b>21,257</b>	<b>22,197</b>	<b>22,301</b>
<b>Total other revenue and income</b>		<b>44,129</b>	<b>40,410</b>	<b>47,530</b>	<b>42,251</b>
<b>(a) Net foreign exchange gain/(loss)</b>					
Net foreign exchange gains included in other income for the year		396	(41)	7	5
Exchange losses on foreign currency borrowings included in borrowing costs		-	-	-	-
Net foreign exchange gains/losses recognised in operating result before income tax for the year (as either other revenue or expense)		396	(41)	7	5
<b>3. EXPENSES FROM CONTINUING OPERATIONS</b>					
<b>3.1 Employee related expenses</b>					
<b>Academic</b>					
Salaries		153,707	142,237	143,398	132,926
Contributions to superannuation and pension schemes		22,913	21,425	21,876	20,600
Payroll tax		10,081	9,470	9,363	8,867
Workers' compensation		689	867	609	667
Long service leave expense		513	5,588	449	5,486
Annual leave		10,326	8,906	9,469	8,418
<b>Total academic</b>		<b>198,229</b>	<b>188,493</b>	<b>185,164</b>	<b>176,964</b>
<b>Non-academic</b>					
Salaries		151,530	143,434	138,084	131,405
Contributions to superannuation and pension schemes		22,665	21,168	21,639	20,291
Payroll tax		9,726	8,196	9,136	7,628
Workers' compensation		699	831	620	653
Long service leave expense		142	4,676	9	4,605
Annual leave		10,673	9,980	9,798	9,066
Other		464	450	-	-
<b>Total non-academic</b>		<b>195,899</b>	<b>188,735</b>	<b>179,286</b>	<b>173,648</b>
<b>Total employee related expenses</b>		<b>394,128</b>	<b>377,228</b>	<b>364,450</b>	<b>350,612</b>
Deferred superannuation expense		542	552	542	552
<b>Total employee related expenses, including deferred government employee benefits for superannuation</b>		<b>394,670</b>	<b>377,780</b>	<b>364,992</b>	<b>351,164</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>3. EXPENSES FROM CONTINUING OPERATIONS (continued)</b>					
<b>3.2 Depreciation and amortisation</b>					
<b>Depreciation property, plant and equipment</b>					
Buildings		16,090	16,792	16,090	16,792
Infrastructure		16,637	17,487	16,637	17,487
Equipment		15,123	15,023	12,487	12,311
Library		2,566	2,711	2,566	2,711
Motor vehicles		216	221	166	174
<b>Total depreciation property, plant and equipment</b>		<b>50,632</b>	<b>52,234</b>	<b>47,946</b>	<b>49,475</b>
<b>Amortisation property, plant and equipment</b>					
Leasehold improvements		530	202	530	202
Plant and equipment under finance leases		4,215	4,159	3,853	3,878
<b>Total amortisation property, plant and equipment</b>		<b>4,745</b>	<b>4,361</b>	<b>4,383</b>	<b>4,080</b>
<b>Total depreciation and amortisation property, plant and equipment</b>		<b>55,377</b>	<b>56,595</b>	<b>52,329</b>	<b>53,555</b>
<b>Amortisation intangibles</b>					
Software		6,677	6,056	5,510	4,946
Patents and trademarks		412	-	-	-
<b>Total amortisation intangibles</b>		<b>7,089</b>	<b>6,056</b>	<b>5,510</b>	<b>4,946</b>
<b>Total depreciation and amortisation</b>		<b>62,466</b>	<b>62,651</b>	<b>57,839</b>	<b>58,501</b>
<b>3.3 Repairs and maintenance</b>					
Buildings		6,907	6,326	6,907	6,326
Plant and equipment		3,114	3,027	2,765	2,611
<b>Total repairs and maintenance</b>		<b>10,021</b>	<b>9,353</b>	<b>9,672</b>	<b>8,937</b>
<b>3.4 Impairment of assets</b>					
Bad debts		256	82	255	75
Increase/(decrease) in provision for doubtful debts		(229)	(237)	(221)	(237)
Impairment of financial assets		-	-	-	-
Impairment of intangible assets		-	38	-	38
<b>Total impairment of assets</b>		<b>27</b>	<b>(117)</b>	<b>34</b>	<b>(124)</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>3.5 Other expenses</b>					
Advertising, marketing and promotional expenses		6,076	5,300	3,833	3,630
Building rent and rates		7,763	7,800	2,973	2,713
Cleaning		8,007	6,928	7,747	6,734
Consultancy		14,088	14,648	12,279	13,808
Contributions other		11,148	8,804	11,423	8,804
Contributions research		4,259	3,263	4,259	3,263
Entertainment		3,998	3,916	3,831	3,796
Fees and subscriptions		28,503	24,811	34,031	31,164
Heating and lighting		9,636	9,737	9,231	9,375
Insurance		2,399	2,157	2,353	2,144
Laboratory supplies		2,642	2,641	2,642	2,641
Maintenance software		6,701	6,094	5,681	5,267
Minimum lease payments on operating lease rental expenses		1,794	1,590	1,779	1,558
Non-capitalised equipment		4,322	4,921	4,283	4,883
Other expenses		6,878	8,253	7,438	8,856
Postage		532	757	325	522
Printing		1,437	1,589	1,113	1,277
Scholarships, grants and prizes		23,359	21,641	23,028	21,200
Security contract staff		4,489	4,075	4,154	3,767
Stationery		1,169	1,549	1,169	1,545
Telecommunications		2,891	2,853	2,456	2,433
Travel and related staff development and training		15,738	14,804	14,471	13,711
Tuition fees		13,124	10,718	7,983	6,297
<b>Total other expenses</b>		<b>180,953</b>	<b>168,849</b>	<b>168,482</b>	<b>159,388</b>
<b>4. BORROWING COSTS</b>					
Gross borrowing costs		5,069	3,650	5,039	3,598
Less: amount capitalised		(660)	(327)	(660)	(327)
<b>Total borrowing costs expensed</b>		<b>4,409</b>	<b>3,323</b>	<b>4,379</b>	<b>3,271</b>



## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>5. SALES OF ASSETS</b>					
<b>Proceeds from sale</b>					
Property, plant and equipment		85	10,355	83	10,354
<b>Carrying amount of assets sold</b>					
Property, plant and equipment		71	10,200	68	10,118
Total carrying amount of assets		71	10,200	68	10,118
<b>Net gain or (loss) on sale of assets</b>		<b>14</b>	<b>155</b>	<b>15</b>	<b>236</b>
<b>(a) Net gain on disposal of property, plant and equipment</b>					
The consolidated net loss on disposal of property, plant and equipment in 2013 includes a loss of \$0 (2012: loss \$0) on disposal of buildings.					
<b>6. INCOME TAX</b>					
The income tax expense represents tax liabilities for overseas entities in China.					
		23	27	-	-

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 7. KEY MANAGEMENT PERSONNEL DISCLOSURES

### (a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the University of Technology, Sydney during the year:

#### University

Professor Vicki Sara, AO	Mr Zohaib Raza (ended August 2013)
Associate Professor Sally Varnham	Ms Elizabeth Hanley (appointed November 2013)
Ms Megan Cornelius, AM	Mr Robert Kelly
Professor Ross Milbourne	Professor Jenny Onyx
Mr Michael G Sexton SC	Mr Brian Wilson
Ms Michelene Collopy	Dr Ron Sandland, AM
Mr Tony Tobin	Mr Russell Taylor
Mr Su-Ming Wong	Professor Greg Skilbeck
Mr Daniel Willis	Mr Peter Bennett
Mr Douglas McDonald	

#### INSEARCH Limited

Professor Ross Milbourne	Ms Dianne Hill
Mr Jon Hutchison, AM	Mr Patrick Woods
Professor William Purcell	Mr Mack Williams
Mr Peter Bennett	Professor Bruce Milthorpe

#### accessUTS Pty Limited

Dr Jane Morrison (ended June 2013)	Mr Jeffrey Francis
Mr Blair McRae	Associate Professor Paul Jonson
Professor Theo van Leeuwen (ended June 2013)	Ms Dianne Hill (appointed July 2013)
Professor John Daly (appointed July 2013)	

#### UTS Global Pty Limited

Mr Patrick Woods
Professor William Purcell
Professor Roy Green

### (b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the University during the financial year:

#### University

Professor Peter Booth	Professor William Purcell
Ms Anne Dwyer	Professor Ross Milbourne
Professor Shirley Alexander	Mr Patrick Woods
Professor Attila Brungs	

#### INSEARCH Limited

Mr Timothy Laurence	Mr Peter Harris
Ms Belinda Howell	Ms Carol Churches
Mr Alex Murphy	Mr Nathan Patrick

#### accessUTS Pty Limited

Mr Blair McRae
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## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Economic entity (Consolidated)		Parent entity (University)	
	2013	2012	2013	2012
<b>7. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)</b>				
<b>(c) Remuneration of board members and executives</b>				
The University's 17 responsible persons do not receive any remuneration in respect of their work as members of Council.				
<b>Remuneration of board members</b>				
\$0 to \$9,999	2	1	-	-
\$30,000 to \$39,999	-	3	-	-
\$50,000 to \$59,999	2	-	-	-
\$60,000 to \$69,999	1	1	-	-
\$90,000 to \$99,999	1	-	-	-
	6	5	-	-
<b>Remuneration of executive officers</b>				
\$220,000 to \$229,999	-	1	-	-
\$230,000 to \$239,999	-	-	-	-
\$240,000 to \$249,999	-	1	-	-
\$250,000 to \$259,999	1	-	-	-
\$260,000 to \$269,999	-	2	-	-
\$270,000 to \$279,999	-	1	-	-
\$280,000 to \$289,999	1	1	-	-
\$300,000 to \$309,999	1	-	-	-
\$310,000 to \$319,999	1	-	-	-
\$330,000 to \$339,999	1	-	-	-
\$380,000 to \$389,999	-	-	-	-
\$400,000 to \$409,999	-	4	-	4
\$410,000 to \$419,999	4	-	4	-
\$420,000 to \$429,999	1	-	-	-
\$490,000 to \$499,999	-	2	-	2
\$500,000 to \$509,999	1	-	1	-
\$510,000 to \$519,999	1	-	1	-
\$840,000 to \$849,999	-	1	-	1
\$890,000 to \$899,999	1	-	1	-
	13	13	7	7
<b>Key management personnel compensation</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	\$5,644,491	\$4,004,316	\$3,587,491	\$3,466,841
Post-employment benefits	\$0	\$36,110	-	-
	\$5,644,491	\$4,040,426	\$3,587,491	\$3,466,841

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

Notes	Economic entity (Consolidated)		Parent entity (University)	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>8. REMUNERATION OF AUDITORS</b>				
Fees paid to Audit Office of New South Wales for audit and review of financial statements	408	438	259	253
Fees paid to non-audit firms for the audit or review of financial statements of any entity in the consolidated group	182	221	–	–
<b>Total remuneration for audit services</b>	<b>590</b>	<b>659</b>	<b>259</b>	<b>253</b>
<b>9. CASH AND CASH EQUIVALENTS</b>				
Cash at bank and on hand	21,803	15,946	1,306	3,513
Deposits at call	30,067	36,651	26,602	35,355
Fixed term deposits	90,500	188,500	60,000	160,000
<b>Total cash and cash equivalents</b>	<b>142,370</b>	<b>241,097</b>	<b>87,908</b>	<b>198,868</b>
<b>(a) Reconciliation to cash at the end of the year</b>				
The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:				
> balances as above	142,370	241,097	87,908	198,868
> less: bank overdrafts	–	–	–	–
<b>Balance as per cash flow statement</b>	<b>142,370</b>	<b>241,097</b>	<b>87,908</b>	<b>198,868</b>
<b>(b) Cash at bank and on hand</b>				
Cash at bank are interest bearing with interest rates ranging between 0.1% and 2.3%. Cash on hand are non-interest bearing.				
<b>(c) Deposits at call and term deposits</b>				
The deposits at call are bearing floating interest rates between 1% and 3% (2012: 2.9% and 3.5%). Term deposits are interest bearing with rates ranging between 3.47% and 4.08%. These deposits have an average maturity of 90 days.				
<b>10. RECEIVABLES</b>				
<b>Current</b>				
Trade debtors – other	18,711	14,936	13,733	10,734
> less: provision for impaired receivables	(91)	(338)	(82)	(312)
	18,620	14,598	13,651	10,422
Trade debtors – student	1,376	1,623	1,106	1,312
> less: provision for impaired receivables	(324)	(323)	(300)	(282)
	1,052	1,300	806	1,030
	19,672	15,898	14,457	11,452
Amounts receivable from wholly owned subsidiaries				
> INSEARCH Limited	–	–	75	297
> accessUTS Pty Limited	–	–	802	163
> UTS Global Pty Ltd	–	–	250	9
Amounts receivable from related entities				
> Sydney Educational Broadcasting Limited	353	267	353	267
<b>Total current receivables</b>	<b>20,025</b>	<b>16,165</b>	<b>15,937</b>	<b>12,188</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>10. RECEIVABLES (continued)</b>					
<b>Non-current</b>					
Deferred government contribution for superannuation		397,110	450,520	397,110	450,520
Trade debtors — other		–	1,125	–	–
Total non-current receivables		397,110	451,645	397,110	450,520
<b>Total trade and other receivables</b>		<b>417,135</b>	<b>467,810</b>	<b>413,047</b>	<b>462,708</b>

	Economic entity (Consolidated)	
	2013 \$'000	2012 \$'000
<b>(a) Impaired receivables</b>		
As at 31 December 2013 current receivables of the group with a nominal value of \$688,000 (2012: \$1,144,000) were impaired. The amount of the provision was \$415,000 (2012: \$661,000). The nominal impaired receivables includes a 100% provision for \$291,000. It is anticipated that a portion of the impaired receivables will be recovered. The impaired receivables for the parent entity are \$630,000 (2012: \$1,076,000) with the amount of the provision being \$382,000 (2012: \$594,000).		
The ageing of these receivables is as follows:		
> 0 to 6 months	195	735
> over 6 months	493	409
Total current impaired receivables	688	1,144
As at 31 December 2013, receivables of \$19,752,000 (2012: \$16,807,000) were past due but not impaired. These relate to student and customers where payment is anticipated and there is no recent history of default.		
The ageing of these receivables is as follows:		
> 0 to 6 months	19,752	15,675
> over 6 months	–	1,132
Total unimpaired receivables	19,752	16,807
Movements in the provision for impaired receivables are as follows:		
> at 1 January	661	911
> provision for impairment recognised during the year	10	(168)
> receivables written off during the year as uncollectible	(256)	(82)
> unused amounts reversed	–	–
At 31 December	415	661

The creation and release of the provision for impaired receivables has been included in bad and doubtful debts in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>(b) Foreign exchange and interest rate risk</b>					
The carrying amounts of the group's and parent entity's current and non-current receivables are denominated in the following currencies:					
> AUD		416,055	465,246	413,237	461,667
> CNY		-	1,601	-	1,367
> KRW		53	-	53	-
> GBP		1,331	1,422	28	66
> USD		81	102	81	102
> NZD		-	78	-	78
> SGD		30	19	30	19
> VUV		-	3	-	3
		417,550	468,471	413,429	463,302
Current receivables		20,440	16,826	16,319	12,782
Non-current receivables		397,110	451,645	397,110	450,520
		417,550	468,471	413,429	463,302
<b>11. OTHER FINANCIAL ASSETS</b>					
<b>Current</b>					
<b>Other financial assets at fair value through profit or loss</b>					
Managed funds — New South Wales Treasury Corporation	34(d)	9,601	49	9,601	49
Foreign exchange forward contracts		7	-	7	-
Total current other financial assets at fair value through profit or loss		9,608	49	9,608	49
<b>Total current other financial assets</b>		<b>9,608</b>	<b>49</b>	<b>9,608</b>	<b>49</b>
<b>Non-current</b>					
<b>Available-for-sale financial assets</b>					
Australian listed equity securities		-	1,960	-	1,960
Unlisted shares		-	-	-	-
<b>Total non-current available-for-sale financial assets</b>		<b>-</b>	<b>1,960</b>	<b>-</b>	<b>1,960</b>
<b>Other financial assets at cost</b>					
Shares in subsidiaries		-	-	185	185
Shares in other entities		12	12	12	12
Interest in joint venture partnerships and investment in associates		-	-	3,490	2,815
Other unlisted securities — security deposits		36	30	-	-
<b>Total non-current other financial assets at cost</b>		<b>48</b>	<b>42</b>	<b>3,687</b>	<b>3,012</b>
<b>Total non-current other financial assets</b>		<b>48</b>	<b>2,002</b>	<b>3,687</b>	<b>4,972</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 11. OTHER FINANCIAL ASSETS (continued)

Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment income in the income statement.

*(a) Investments in related parties*

Refer to note 14 and note 28 for information on the carrying amount of investments in subsidiaries, joint ventures and associates.

*(b) Fair value*

Refer note 34 for a comparison between fair value and carrying amount for the above other financial assets.

*(c) Risk exposure*

Other financial assets are denominated in Australian dollars therefore there is no exposure to foreign currency risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the assets. The University has made provision for impairment for assets where the carrying amount is above their fair value.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>12. OTHER NON-FINANCIAL ASSETS</b>					
<b>Current</b>					
Accrued income		3,831	2,988	3,692	3,966
Prepayments		16,336	16,947	12,364	14,162
<b>Total current other non-financial assets</b>		<b>20,167</b>	<b>19,935</b>	<b>16,056</b>	<b>18,128</b>
<b>Non-current</b>					
Prepayments		165	607	165	607
<b>Total non-current other non-financial assets</b>		<b>165</b>	<b>607</b>	<b>165</b>	<b>607</b>
<b>Total other non-financial assets</b>		<b>20,332</b>	<b>20,542</b>	<b>16,221</b>	<b>18,735</b>
<b>13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>					
<b>Current</b>					
Land		-	-	-	-
Buildings and infrastructure		-	-	-	-
Motor vehicles		-	-	-	-
<b>Total non-current assets classified as held for sale</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>					
Interest in joint venture entity and investment in associates		9,276	8,144	-	-
<b>Total investments accounted for using the equity method</b>		<b>9,276</b>	<b>8,144</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>					
Balance at 1 January		8,144	9,493	-	-
Share of profit for the year		525	1,286	-	-
Dividends		-	(2,545)	-	-
Foreign currency translation		143	(90)	-	-
Additional equity income		53	-	-	-
Joint venture reclassified		411	-	-	-
<b>Balance at 31 December</b>		<b>9,276</b>	<b>8,144</b>	<b>-</b>	<b>-</b>

The interest in the joint ventures and investment in associates are accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity.

Australian Technology Park Innovation Proprietary Limited (ATPI) has a reporting date of 30 June 2013. The University has relied on the statutory accounts to the 30 June 2013 for Australian Technology Park Innovation Proprietary Limited.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## (a) Joint venture partnerships

The parent entity has an interest in the following joint venture entities, which are resident in Australia.

### 1. Sydney Educational Broadcasting Limited (2SER-FM)

The company is an enterprise jointly funded by Macquarie University and the University of Technology, Sydney to broadcast programs for continuing and adult education and for courses conducted by both universities. The funding is via an agreed donation paid on a yearly basis.

### 2. INSEARCH Limited, a controlled entity of the University, has the following joint ventures:

- (a) Australia Centre for Education and Training (ACETs)
- (b) UTS: INSEARCH ELTI Gramedia

### 3. Sydney Institute of Language and Commerce (SILC)

The Sydney Institute of Language and Commerce (SILC) is a joint venture between the University of Technology, Sydney and Shanghai University to provide education programs and courses in China. In 2011 INSEARCH transferred its interest in SILC to UTS due to government requirements in China.

### 4. AustLII Foundation Ltd

This is a joint venture between the University of New South Wales and the University of Technology, Sydney to provide free access to public legal information in Australia by means of an electronic public library.

### 5. Labshare Ltd

This is a joint venture between the University of Technology, Sydney and Curtin University of Technology to promote the sharing of laboratory and experimental resources for teaching, training and research, whether in the tertiary or secondary sector.

## (b) Investment in associates

### 1. Sydney Institute of Marine Science Limited (SIMS)

SIMS is a not-for-profit entity to develop and operate a marine science research facility. The University of Technology, Sydney has a 25 per cent share of issued share capital with other shareholders being Macquarie University, University of Sydney and the University of New South Wales.

### 2. Australian Technology Park Innovation Proprietary Limited (ATPI)

The ATPI is an organisation involving the University of Technology, Sydney, the Australian National University, the University of Sydney and the University of New South Wales. The University of Technology, Sydney has a 25 per cent share of issued share capital. The organisation facilitates the incubation of research activity. The statutory accounts are prepared as at 30 June; which differs from the University's year end of 31 December. The difference in reporting periods is not regarded as being material.

### 3. Auspherix Pty Ltd

Auspherix Pty Ltd is a research company primarily for undertaking research in antibiotic therapies for the treatment of resistant infections and management of biofilms. The two shareholders are the University of Technology, Sydney, which has 39.13 per cent of the issued capital and MRCF IIF Partnership, LP, which has 60.87 per cent of the issued capital.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>(c) Summarised financial information in respect of associates is set out below</b>					
<b>Financial position</b>					
Current assets		3,925	3,355	-	-
Non-current assets		6,177	6,145	-	-
Total assets		10,102	9,500	-	-
Current liabilities		811	1,333	-	-
Non-current liabilities		15	23	-	-
Total liabilities		826	1,356	-	-
<b>Share of net assets</b>		<b>9,276</b>	<b>8,144</b>	-	-
<b>Financial performance</b>					
Revenues		4,377	4,653	-	-
Expenses		3,852	3,367	-	-
<b>Share of profit/(loss)</b>		<b>525</b>	<b>1,286</b>	-	-
<b>Share of commitments</b>					
Lease commitments		-	-	-	-
Other commitments (other than for the supply of inventories)		-	-	-	-
Total expenditure commitments		-	-	-	-
Capital commitments		-	-	-	-



# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

### (d) Contingent liabilities relating to joint ventures

No material losses are anticipated in respect to contingent liabilities.

### (e) Joint ventures in Cooperative Research Centres (CRCs)

The University has an interest in the following joint ventures. The contributions are for year to 31 December 2013. Contributions in cash and in-kind are expensed and included in the income statement. In the event that a CRC research results in a move to commercialisation a separate legal entity is established and the University's share of the new entity is treated as an investment, joint venture, associate or subsidiary in the statement of financial position as appropriate.

Name	Description	Cash contributions in 2013 \$'000	In-kind contributions in 2013 \$'000	Total contributions in 2013 \$'000
Capital Markets CRC Ltd	The Capital Markets CRC Ltd's strategy is to target its research to current and future challenges faced by the capital markets.	100	28	128
CRC CARE	The CRC for Contamination Assessment and Remediation of the Environment was established to devise new ways of dealing with and preventing contamination of soil, water and air.	152	504	656
Auto CRC Ltd	The CRC for positioning Australia as a leading global manufacturer and technology provider for low emissions vehicles	100	210	310
		352	742	1,094

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>										
<b>Consolidated</b>										
<b>At 1 January 2012</b>										
> cost	70,599	-	-	-	126,709	2,971	12,225	-	-	212,504
> valuation	-	349,404	837,238	398,702	-	-	-	108,648	2,410	1,696,402
Accumulated depreciation	-	-	(377,163)	(221,290)	(82,128)	(2,634)	(5,635)	(92,403)	-	(781,253)
Net book amount	70,599	349,404	460,075	177,412	44,581	337	6,590	16,245	2,410	1,127,653
<b>Year ended 31 December 2012</b>										
Opening net book amount	70,599	349,404	460,075	177,412	44,581	337	6,590	16,245	2,410	1,127,653
Revaluation surplus/(deficit)	-	946	(2,270)	10,963	-	-	-	-	-	9,639
Additions	84,222	12,882	22,326	11,521	18,660	394	4,011	2,438	-	156,454
Assets classified as held for sale and other disposals	-	(6,712)	(1,947)	(1,242)	(278)	-	-	(12)	-	(10,191)
Depreciation charge	-	-	(16,792)	(17,487)	(15,244)	(202)	(4,159)	(2,711)	-	(56,595)
Closing net book amount	154,821	356,520	461,392	181,167	47,719	529	6,442	15,960	2,410	1,226,960
<b>At 31 December 2012</b>										
> cost	154,821	-	-	-	141,860	3,364	12,383	-	-	312,428
> valuation	-	356,520	816,338	386,743	-	-	-	110,833	2,410	1,672,844
Accumulated depreciation	-	-	(354,946)	(205,576)	(94,141)	(2,835)	(5,941)	(94,873)	-	(758,312)
Net book amount	154,821	356,520	461,392	181,167	47,719	529	6,442	15,960	2,410	1,226,960
<b>Year ended 31 December 2013</b>										
Opening net book amount	154,821	356,520	461,392	181,167	47,719	529	6,442	15,960	2,410	1,226,960
Revaluation surplus/(deficit)	-	234	13,984	17,027	-	-	-	-	(128)	31,117
Additions	246,402	-	6,569	17,086	7,615	1,165	3,347	2,035	76	284,295
Assets classified as held for sale and other disposals	-	-	-	-	(58)	-	-	-	(13)	(71)
Depreciation charge	-	-	(16,090)	(16,637)	(15,339)	(530)	(4,215)	(2,566)	-	(55,377)
Closing net book amount	401,223	356,754	465,855	198,643	39,937	1,164	5,574	15,429	2,345	1,486,924
<b>At 31 December 2013</b>										
> cost	401,223	-	-	-	146,000	4,529	11,988	-	-	563,740
> valuation	-	356,754	842,902	393,814	-	-	-	112,868	2,345	1,708,683
Accumulated depreciation	-	-	(377,047)	(195,171)	(106,063)	(3,365)	(6,414)	(97,439)	-	(785,499)
<b>Net book amount</b>	<b>401,223</b>	<b>356,754</b>	<b>465,855</b>	<b>198,643</b>	<b>39,937</b>	<b>1,164</b>	<b>5,574</b>	<b>15,429</b>	<b>2,345</b>	<b>1,486,924</b>

1. Plant and equipment includes all operational assets.

2. Other property, plant and equipment includes non-operational assets such as artworks.

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>15. PROPERTY, PLANT AND EQUIPMENT (continued)</b>										
<b>Parent entity</b>										
<b>At 1 January 2012</b>										
> cost	68,682	-	-	-	104,734	2,971	11,480	-	-	187,867
> valuation	-	349,404	837,238	398,702	-	-	-	108,648	2,410	1,696,402
Accumulated depreciation	-	-	(377,163)	(221,290)	(71,016)	(2,634)	(5,452)	(92,403)	-	(769,958)
Net book amount	68,682	349,404	460,075	177,412	33,718	337	6,028	16,245	2,410	1,114,311
<b>Year ended 31 December 2012</b>										
Opening net book amount	68,682	349,404	460,075	177,412	33,718	337	6,028	16,245	2,410	1,114,311
Revaluation surplus/(deficit)	-	946	(2,270)	10,963	-	-	-	-	-	9,639
Additions	84,222	12,882	22,326	11,521	15,962	394	3,796	2,438	-	153,541
Assets classified as held for sale and other disposals	-	(6,712)	(1,947)	(1,242)	(205)	-	-	(12)	-	(10,118)
Depreciation charge	-	-	(16,792)	(17,487)	(12,485)	(202)	(3,878)	(2,711)	-	(53,555)
Closing net book amount	152,904	356,520	461,392	181,167	36,990	529	5,946	15,960	2,410	1,213,818
<b>At 31 December 2012</b>										
> cost	152,904	-	-	-	117,260	3,364	11,423	-	-	284,951
> valuation	-	356,520	816,338	386,743	-	-	-	110,833	2,410	1,672,844
Accumulated depreciation	-	-	(354,946)	(205,576)	(80,270)	(2,835)	(5,477)	(94,873)	-	(743,977)
Net book amount	152,904	356,520	461,392	181,167	36,990	529	5,946	15,960	2,410	1,213,818
<b>Year ended 31 December 2013</b>										
Opening net book amount	152,904	356,520	461,392	181,167	36,990	529	5,946	15,960	2,410	1,213,818
Revaluation surplus/(deficit)	-	234	13,984	17,027	-	-	-	-	(128)	31,117
Additions	246,402	-	6,569	17,086	9,697	1,165	3,282	2,035	76	286,312
Assets classified as held for sale and other disposals	-	-	-	-	(55)	-	-	-	(13)	(68)
Depreciation charge	-	-	(16,090)	(16,637)	(12,653)	(530)	(3,853)	(2,566)	-	(52,329)
Closing net book amount	399,306	356,754	465,855	198,643	33,979	1,164	5,375	15,429	2,345	1,478,850
<b>At 31 December 2013</b>										
> cost	399,306	-	-	-	123,485	4,529	10,963	-	-	538,283
> valuation	-	356,754	842,902	393,814	-	-	-	112,868	2,345	1,708,683
Accumulated depreciation	-	-	(377,047)	(195,171)	(89,506)	(3,365)	(5,588)	(97,439)	-	(768,116)
<b>Net book amount</b>	<b>399,306</b>	<b>356,754</b>	<b>465,855</b>	<b>198,643</b>	<b>33,979</b>	<b>1,164</b>	<b>5,375</b>	<b>15,429</b>	<b>2,345</b>	<b>1,478,850</b>

1. Plant and equipment includes all operational assets.

2. Other property, plant and equipment includes non-operational assets such as artworks.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## (a) Valuations of land and buildings and works of art

- (1) The valuation basis of land, buildings and infrastructure is fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2013 revaluations were based on independent assessments by Colliers International as at 31 December 2013. The revaluation surplus was credited/debited to the asset revaluation reserve in equity (note 22).
- (2) The valuation basis of works of art is fair value based on an independent assessment by McWilliam & Associates Pty Ltd as at 31 December 2013. The revaluation surplus was credited/debited to the asset revaluation reserve in equity (note 22).

## (b) Non-current assets pledged as security

Refer to note 18 for information on non-current assets pledged as security by the parent entity and its controlled entities.

	Development costs \$'000	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Goodwill \$'000	Total \$'000
<b>16. INTANGIBLE ASSETS</b>						
<b>Consolidated</b>						
<b>At 1 January 2012</b>						
Cost	–	249	57,329	5,342	–	62,920
Accumulated amortisation and impairment	–	(249)	(41,739)	(605)	–	(42,593)
Net book amount	–	–	15,590	4,737	–	20,327
<b>Year ended 31 December 2012</b>						
Opening net book amount	–	–	15,590	4,737	–	20,327
Additions	–	–	7,451	783	–	8,234
Disposals	–	–	(9)	–	–	(9)
Impairment charge	–	–	–	(38)	–	(38)
Amortisation charge	–	–	(6,056)	–	–	(6,056)
Closing net book amount	–	–	16,976	5,482	–	22,458
<b>At 31 December 2012</b>						
Cost	–	249	64,737	6,125	–	71,111
Accumulated amortisation and impairment	–	(249)	(47,761)	(643)	–	(48,653)
Net book amount	–	–	16,976	5,482	–	22,458
<b>Year ended 31 December 2013</b>						
Opening net book amount	–	–	16,976	5,482	–	22,458
Additions	–	2,706	6,891	526	–	10,123
Disposals	–	–	–	–	–	–
Acquisition of subsidiary	–	–	–	–	–	–
Impairment charge	–	–	–	–	–	–
Amortisation charge	–	(412)	(6,677)	–	–	(7,089)
Closing net book amount	–	2,294	17,190	6,008	–	25,492
<b>At 31 December 2013</b>						
Cost	–	2,955	71,480	6,651	–	81,086
Accumulated amortisation and impairment	–	(661)	(54,290)	(643)	–	(55,594)
Net book amount	–	2,294	17,190	6,008	–	25,492
<b>Closing net book amount</b>	–	<b>2,294</b>	<b>17,190</b>	<b>6,008</b>	–	<b>25,492</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Development costs \$'000	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Goodwill \$'000	Total \$'000
<b>16. INTANGIBLE ASSETS (continued)</b>						
<b>Parent entity</b>						
<b>At 1 January 2012</b>						
Cost	-	-	50,265	5,342	-	55,607
Accumulated amortisation and impairment	-	-	(36,627)	(605)	-	(37,232)
Net book amount	-	-	13,638	4,737	-	18,375
<b>Year ended 31 December 2012</b>						
Opening net book amount	-	-	13,638	4,737	-	18,375
Additions	-	-	6,662	783	-	7,445
Disposals	-	-	-	-	-	-
Impairment charge	-	-	-	(38)	-	(38)
Amortisation charge	-	-	(4,946)	-	-	(4,946)
Closing net book amount	-	-	15,354	5,482	-	20,836
<b>At 31 December 2012</b>						
Cost	-	-	56,893	6,125	-	63,018
Accumulated amortisation and impairment	-	-	(41,539)	(643)	-	(42,182)
Net book amount	-	-	15,354	5,482	-	20,836
<b>Year ended 31 December 2013</b>						
Opening net book amount	-	-	15,354	5,482	-	20,836
Additions	-	-	5,797	526	-	6,323
Disposals	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
Amortisation charge	-	-	(5,510)	-	-	(5,510)
Closing net book amount	-	-	15,641	6,008	-	21,649
<b>At 31 December 2013</b>						
Cost	-	-	62,542	6,651	-	69,193
Accumulated amortisation and impairment	-	-	(46,901)	(643)	-	(47,544)
Net book amount	-	-	15,641	6,008	-	21,649
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>	<b>15,641</b>	<b>6,008</b>	<b>-</b>	<b>21,649</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>17. TRADE AND OTHER PAYABLES</b>					
<b>Current</b>					
HELP liability to Australian Government		1,761	1,799	1,761	1,799
Deputy Commissioner of Taxation — PAYG		–	–	–	–
Office of State Revenue — payroll tax		2,340	2,257	2,340	2,257
Trade creditors and accruals		37,230	24,674	34,254	20,171
Capital accruals		8,463	5,582	8,463	5,582
Other payroll accruals		6,164	10,279	6,164	10,279
Other		2,979	2,177	2,272	2,168
<b>Total trade and other payables</b>		<b>58,937</b>	<b>46,768</b>	<b>55,254</b>	<b>42,256</b>
<b>(a) Foreign currency risk</b>					
The carrying amounts of the group's and parent entity's trade and other payables are denominated in the following currencies:					
> AUD		57,157	43,581	54,224	41,049
> CAD		–	1	–	1
> SEK		2	–	2	–
> EUR		286	48	286	48
> GBP		36	69	36	69
> NZD		1	1	1	1
> INR		6	12	6	12
> USD		1,448	3,055	698	1,075
> SGD		1	–	1	–
> HKD		–	1	–	1
		58,937	46,768	55,254	42,256

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 34.

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>18. BORROWINGS</b>					
<b>Current</b>					
<b>Secured</b>					
Lease liabilities	23	3,371	3,617	3,181	3,370
Total current secured borrowings		3,371	3,617	3,181	3,370
<b>Unsecured</b>					
Loans		–	–	–	–
Total current unsecured borrowings		–	–	–	–
Total current borrowings		3,371	3,617	3,181	3,370
<b>Non-current</b>					
<b>Secured</b>					
Lease liabilities	23	2,453	3,069	2,406	2,823
Total non-current secured borrowings		2,453	3,069	2,406	2,823
<b>Unsecured</b>					
Loans		99,738	40,000	99,738	40,000
Total non-current unsecured borrowings		99,738	40,000	99,738	40,000
Total non-current borrowings		102,191	43,069	102,144	42,823
<b>Total borrowings</b>		<b>105,562</b>	<b>46,686</b>	<b>105,325</b>	<b>46,193</b>
<b>(a) Assets pledged as security</b>					
<b>Non-current</b>					
<b>Finance lease</b>					
Plant and equipment	15	11,988	12,383	10,963	11,423
<b>Total non-current assets pledged as security</b>		<b>11,988</b>	<b>12,383</b>	<b>10,963</b>	<b>11,423</b>
<b>(b) Financing arrangements</b>					
Unrestricted access was available at balance date to the following lines of credit:					
<b>Loan facilities</b>					
Total facilities		340,000	340,000	340,000	340,000
Used at balance date		100,000	40,000	100,000	40,000
Unused at balance date		240,000	300,000	240,000	300,000
<b>Borrowing commitments</b>					
Within one year		–	–	–	–
Later than one year but not later than five years		100,000	40,000	100,000	40,000
Later than five years		–	–	–	–
<b>Total borrowing commitments</b>		<b>100,000</b>	<b>40,000</b>	<b>100,000</b>	<b>40,000</b>

**(c) Interest rate risk exposures**

Details of the entity's exposure to interest rate changes on borrowings are set out in note 34.

**(d) Fair value disclosures**

Details of fair value of borrowings for the entity are set out in note 34.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## (e) Borrowing classes

The University's borrowings comprise a TCorp loan (\$40 million), National Australia Bank revolving debt facility (\$300 million) and lease liabilities. Details of the borrowings are listed in the financial instruments note 34.

## (f) Risk exposure

At 31 December 2013, 100 per cent of the group's borrowings, which have been drawn down, are at a fixed rate of interest or covered by interest rate swap derivatives. The carrying amount of the economic entity's borrowings are denominated in Australian dollars. Details of risk exposure of borrowings for the entity are set out in financial instruments note 34.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>19. PROVISIONS</b>					
<b>Current provisions expected to be settled within 12 months</b>					
Employee benefits					
> annual leave	1(v)/1(w)	20,230	18,854	18,663	17,423
> long service leave	1(v)/1(w)	5,385	4,702	5,295	4,546
Subtotal		25,615	23,556	23,958	21,969
Make good provision		905	823	905	823
Total current provisions expected to be settled within 12 months		26,520	24,379	24,863	22,792
<b>Current provisions expected to be settled wholly after more than 12 months</b>					
Employee benefits					
> annual leave	1(v)/1(w)	8,371	8,322	8,626	8,585
> long service leave	1(v)/1(w)	43,665	51,915	42,854	51,211
Subtotal		52,036	60,237	51,480	59,796
Total current provisions		78,556	84,616	76,343	82,588
<b>Non-current</b>					
Employee benefits					
> long service leave	1(v)/1(w)	16,359	13,328	15,655	12,690
> defined benefit obligation		402,430	456,604	402,430	456,604
Subtotal		418,789	469,932	418,085	469,294
Make good provision		1,073	1,071	-	-
Total non-current provisions		419,862	471,003	418,085	469,294
<b>Total provisions</b>		<b>498,418</b>	<b>555,619</b>	<b>494,428</b>	<b>551,882</b>

## (a) Movement in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Make good provision \$'000	Total \$'000
<b>Consolidated 2013</b>		
Carrying amount at start of year	1,894	1,894
Additional provisions recognised	113	113
Amounts used	(29)	(29)
Unused amounts reversed	-	-
Carrying amount at end of year	1,978	1,978



## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>20. OTHER FINANCIAL LIABILITIES</b>					
<b>Non-current</b>					
Interest rate swaps on National Australia Bank loans	34	603	–	603	–
Foreign exchange forward contracts	34	–	–	–	–
<b>Total non-current other financial liabilities</b>		<b>603</b>	<b>–</b>	<b>603</b>	<b>–</b>
<b>21. OTHER LIABILITIES</b>					
<b>Current</b>					
Unearned Commonwealth Grants – CGS and HECS		1,507	1,494	1,507	1,494
Prepaid student fees		31,212	25,131	12,022	11,535
Other		7,474	4,709	1,488	2,065
<b>Total current other liabilities</b>		<b>40,193</b>	<b>31,334</b>	<b>15,017</b>	<b>15,094</b>
<b>Non-current</b>					
Other		25	46	–	–
<b>Total non-current other liabilities</b>		<b>25</b>	<b>46</b>	<b>–</b>	<b>–</b>
<b>Total other liabilities</b>		<b>40,218</b>	<b>31,380</b>	<b>15,017</b>	<b>15,094</b>
<b>22. RESERVES AND RETAINED EARNINGS</b>					
<b>(a) Reserves comprise</b>					
Property, plant and equipment revaluation reserve					
> freehold land		324,394	324,160	324,394	324,160
> buildings		110,674	96,689	110,674	96,689
> building infrastructure		168,989	151,963	168,989	151,963
> artworks		1,526	1,654	1,526	1,654
> library		116	116	116	116
> other assets		1	1	1	1
Available for sale investments revaluation reserve		–	140	–	140
Cash flow hedge reserve		(603)	–	(603)	–
Foreign currency translation reserve		(1,224)	(1,401)	–	–
<b>Total reserves</b>		<b>603,873</b>	<b>573,322</b>	<b>605,097</b>	<b>574,723</b>
<b>(b) Movements in reserves</b>					
Property, plant and equipment revaluation reserve					
Balance 1 January		574,583	564,944	574,583	564,944
Increase/(decrease) revaluation	15	31,117	9,639	31,117	9,639
Transfer of reserve to retained earnings		–	–	–	–
<b>Balance 31 December</b>		<b>605,700</b>	<b>574,583</b>	<b>605,700</b>	<b>574,583</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Available-for-sale investments revaluation reserve</b>					
Balance 1 January		140	(239)	140	(239)
Increase/(decrease) revaluation		(140)	379	(140)	379
Balance 31 December		–	140	–	140
<b>Cash flow hedge reserve</b>					
Balance 1 January		–	–	–	–
Increase/(decrease) revaluation		(603)	–	(603)	–
Balance 31 December		(603)	–	(603)	–
<b>Foreign currency translation reserve</b>					
Balance 1 January		(1,401)	(1,275)	–	–
Net exchange differences on translation of foreign controlled entity		177	(126)	–	–
Balance 31 December		(1,224)	(1,401)	–	–
<b>Total reserves</b>		<b>603,873</b>	<b>573,322</b>	<b>605,097</b>	<b>574,723</b>
<b>(c) Nature and purpose of reserves</b>					
Property, plant and equipment revaluation reserve refer note 1(p) for details of nature and purpose of reserve.					
Available-for-sale investments revaluation reserve refer note 1(m)(iii) for details of nature and purpose of reserve.					
Cash flow hedge reserve refer note 1(n)(i) for details of nature and purpose of reserve.					
Foreign currency translation reserve refer note 1(c)(iii) for details of nature and purpose of reserve.					
<b>(d) Retained earnings</b>					
Movements in retained earnings were as follows:					
> retained earnings at 1 January		735,287	674,468	689,838	631,100
> operating result for the period		67,456	61,248	64,577	59,167
> net actuarial gains (losses) recognised in respect of defined benefit plans		831	(429)	831	(429)
<b>Retained earnings at 31 December</b>		<b>803,574</b>	<b>735,287</b>	<b>755,246</b>	<b>689,838</b>
<b>23. COMMITMENTS</b>					
<b>(a) Capital expenditure commitments</b>					
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows:					
<b>Building works</b>					
> within one year		182,301	289,548	182,301	289,548
> later than one year		–	137,964	–	137,964
<b>Plant and equipment</b>					
> within one year		6,434	1,481	6,133	1,481
<b>Intangible assets</b>					
> within one year		–	–	–	–
<b>Total capital commitments</b>		<b>188,735</b>	<b>428,993</b>	<b>188,434</b>	<b>428,993</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>23. COMMITMENTS (continued)</b>					
<b>(b) Lease commitments</b>					
<b>Operating leases</b>					
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:					
<b>Premises</b>					
> within one year		7,933	7,702	2,376	1,773
> between one and five years		14,840	18,769	3,715	939
> later than five years		1,146	1,189	1,146	1,189
		23,919	27,660	7,237	3,901
<b>Motor vehicles</b>					
> within one year		1,241	1,259	1,241	1,259
> between one and five years		1,557	1,174	1,557	1,174
		2,798	2,433	2,798	2,433
<b>Equipment</b>					
> within one year		229	302	229	302
> between one and five years		62	204	62	204
		291	506	291	506
<b>Total future minimum lease payments</b>		<b>27,008</b>	<b>30,599</b>	<b>10,326</b>	<b>6,840</b>
<b>Finance leases</b>					
The University of Technology, Sydney leases various plant and equipment with a carrying amount of \$5,375,569 (2012: \$5,946,282) under finance leases expiring within one to five years.					
Commitments for minimum lease payments in relation to finance leases are payable as follows:					
<b>Equipment</b>					
> within one year		3,641	4,087	3,437	3,722
> between one and five years		2,550	3,126	2,506	2,958
Total future minimum finance lease payments		6,191	7,213	5,943	6,680
Future finance charges		(367)	(527)	(356)	(487)
Recognised as finance lease liabilities		5,824	6,686	5,587	6,193
Representing lease liabilities					
> current liability	18	3,371	3,617	3,181	3,370
> non-current liability	18	2,453	3,069	2,406	2,823
		5,824	6,686	5,587	6,193
The weighted average interest rate implicit in the leases is 6.77% (2012: 7.80%)					
Commitments for expenditure are recorded on a GST inclusive basis except for finance leases which are recorded on a GST exclusive basis. The potential GST credit on the above commitments is \$19,613,000 (2012: \$41,781,000) for the economic entity and \$18,069,000 (2012: \$39,622,000) for the parent entity.					
<b>24. NON-CASH FINANCING AND INVESTING ACTIVITIES</b>					
Acquisition of plant and equipment by means of finance leases		3,347	4,011	3,282	3,796

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 25. DEFINED BENEFITS PLANS

During the 2013 accounting period, the University contributed to the following superannuation schemes:

- > UniSuper
- > the State Superannuation Scheme (SSS)
- > the State Authorities Superannuation Scheme (SASS)
- > the State Authorities Non-Contributory Superannuation Scheme (SANCS).

### State Authorities Superannuation Trustee Corporation (STC)

The state schemes are administered by the State Authorities Superannuation Trustee Corporation (STC). The University maintains a reserve account within the STC to assist in financing the employer contributions to the state schemes.

The 2013 calculation of the liabilities of SSS, SASS and SANCS is based on the requirements of AASB 119.

### (a) Fund specific disclosure

#### Nature of the benefits provided by the defined benefits fund — SSS, SASS and SANCS

The pooled fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- > the State Superannuation Scheme (SSS)
- > the State Authorities Superannuation Scheme (SASS)
- > the State Authorities Non-Contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes — at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the schemes are closed to new members.

#### Description of the regulatory framework

The schemes in the pooled fund are established and governed by the following NSW legislation: *Superannuation Act 1916* (NSW), *State Authorities Superannuation Act 1987* (NSW), *Police Regulation (Superannuation) Act 1906* (NSW), *State Authorities Non-Contributory Superannuation Scheme Act 1987* (NSW) and their associated regulations.

The schemes in the pooled fund are exempt public sector superannuation schemes under the *Commonwealth Superannuation Industry (Supervision) Act 1993* (SIS). The SIS legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a heads of government agreement, the New South Wales Government undertakes to ensure that the pooled fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the pooled fund and the trustee board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the trustee board and internal processes that monitor the trustee board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the pooled fund is performed every three years. The last actuarial investigation was performed as at 30 June 2012.

#### Description of other entities' responsibilities for the governance of the fund

The fund's trustee is responsible for the governance of the fund. The trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The trustee has the following roles:

- > administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules
- > management and investment of the fund assets, and
- > compliance with other applicable regulations.

#### Description of risks

There are a number of risks to which the fund exposes the employer. The more significant risks relating to the defined benefits are:

- > investment risk — the risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall
- > longevity risk — the risk that pensioners live longer than assumed, increasing future pensions
- > pension indexation risk — the risk that pensions will increase at a rate greater than assumed increasing future pensions
- > salary growth risk — the risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed increasing defined benefit amounts and thereby requiring additional employer contributions
- > legislative risk — the risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The fund has no significant concentration of investment risk or liquidity risk.

#### Description of significant events

There were no fund amendments, curtailments or settlements during the year.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 25. DEFINED BENEFITS PLANS (continued)

### Expected contributions

The University expects to make the following contributions to the defined benefit plan during the next financial year:

	SASS		SANCS		SSS		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Expected employer contributions	–	–	2,710,395	2,763,673	–	–	2,710,395	2,763,673

### Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 11.1 years.

### Categories of plan assets

The analysis of the plan assets and the expected rate of return at the balance sheet date is as follows:

Asset category	Total as at 31 December 2013	Quoted prices in active markets for identical assets <sup>1</sup>	Significant observable inputs <sup>2</sup>	Unobservable inputs <sup>3</sup>
	\$'000	\$'000	\$'000	\$'000
Short-term securities	3,099,598	1,984,408	1,115,190	–
Australian fixed interest	1,686,348	6,734	1,679,614	–
International fixed interest	835,280	–	835,280	–
Australian equities	13,092,913	12,876,543	216,206	164
International equities	10,944,453	8,307,700	2,636,045	708
Property	3,148,735	800,135	680,854	1,667,746
Alternatives	5,862,620	525,243	2,448,886	2,888,491
Total	38,669,947	24,500,763	9,612,075	4,557,109

1. Level 1 – quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares and listed unit trusts.

2. Level 2 – inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash, notes, government, semi-government and corporate bonds, and unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.

3. Level 3 – inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property, unlisted shares, unlisted infrastructure, distressed debt and hedge funds.

The percentage invested in each asset class at the reporting date is:

Asset category	31 December 2013	31 December 2012
Short-term securities	8.00%	13.40%
Australian fixed interest	4.40%	6.20%
International fixed interest	2.20%	2.40%
Australian equities	33.90%	31.00%
International equities	28.30%	24.30%
Property	8.00%	8.70%
Alternatives	15.20%	14.00%
Total	100.00%	100.00%

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## Significant actuarial assumptions at the reporting date

		As at 31 December 2013
Discount rate		4.27% pa
Salary increase rate (excluding promotional increases)	2.25% for 2013/2014 (2.95% for PSS); 2.50% pa for 2014/2015 and 2015/2016; 2.25% for 2016/2017; 2.00% for 2017/2018; 3.00% pa 2018/2019 to 2021/2022; 3.50% pa thereafter	
Rate of CPI increase		2.50% pa
Pensioner mortality		as per the 2012 actuarial investigation of the pooled fund

## Actuarial assumptions and sensitivity

The University's total defined benefit obligation as at 31 December 2013 under several scenarios is presented below.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

- > Scenario A: 1.0% lower discount rate assumption
- > Scenario B: 1.0% higher discount rate assumption
- > Scenario C: 0.5% higher rate of CPI increase assumption
- > Scenario D: 0.5% lower rate of CPI increase assumption
- > Scenario E: 0.5% higher expected salary increase rate assumption
- > Scenario F: 0.5% lower expected salary increase rate assumption

	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E	Scenario F
	-1.0% discount rate	+1.0% discount rate	+0.5% rate of CPI increase	-0.5% rate of CPI increase	+0.5% salary increase rate	-0.5% salary increase rate
	Base case					
Discount rate	4.27%	3.27%	5.27%	4.27%	4.27%	4.27%
Rate of CPI increase	2.50%	2.50%	2.50%	3.00%	2.00%	2.50%
Salary inflation rate	as above	as above	as above	as above	as above	above rates plus 0.5% pa above rates less 0.5% pa
Defined benefit obligation (\$'000)	522,650,604	581,311,047	473,618,029	548,594,353	498,703,438	524,474,610 520,889,921

- > Scenario G: 5% higher pensioner mortality rates assumed
- > Scenario H: 5% lower pensioner mortality rates assumed

	Scenario G	Scenario H
	+5.0% pensioner mortality rates	-5.0% pensioner mortality rates
Defined benefit obligation (\$'000)	522,650,604	517,255,162 528,352,367

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, while retaining all other assumptions.

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

**25. DEFINED BENEFITS PLANS (continued)****(b) Balance sheet amounts****Present value obligations**

	SASS		SANCS		SSS		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Opening defined benefit obligation	50,395,763	48,128,009	9,931,920	9,869,364	521,453,367	492,209,819	581,781,050	550,207,192
Current service cost	1,743,949	1,750,720	385,628	395,875	1,030,924	1,056,086	3,160,501	3,202,681
Past service cost	-	-	-	-	-	-	-	-
Interest expense/(income)	1,569,438	1,661,246	311,197	334,913	16,793,598	17,755,240	18,674,233	19,751,399
	53,709,150	51,539,975	10,628,745	10,600,152	539,277,889	511,021,145	603,615,784	573,161,272
<b>Remeasurements</b>								
Return on plan assets, excluding amounts included in interest expense	-	-	-	-	-	-	-	-
Actuarial losses/(gains) arising from changes in demographic assumptions	-	16,296	-	(59,107)	-	11,009,340	-	10,966,529
Actuarial losses/(gains) arising from changes in financial assumptions	(1,584,107)	723,264	(429,200)	233,381	(54,440,093)	24,654,718	(56,453,400)	25,611,363
Actuarial losses/(gains) arising from liability experience	4,578,885	3,576,938	147,641	573,612	287,043	(3,925,060)	5,013,569	225,490
	2,994,778	4,316,498	(281,559)	747,886	(54,153,050)	31,738,998	(51,439,831)	36,803,382
<b>Contributions</b>								
Employers	-	-	-	-	-	-	-	-
Plan participants	765,629	803,992	-	-	864,861	876,667	1,630,490	1,680,659
	765,629	803,992	-	-	864,861	876,667	1,630,490	1,680,659
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Taxes, premiums and expenses paid	(287,763)	(341,374)	99,810	(80,880)	3,246,496	1,698,732	3,058,543	1,276,478
<b>Payments from plan</b>								
Benefits paid	(6,670,469)	(5,923,328)	(1,439,070)	(1,335,238)	(26,104,843)	(23,882,175)	(34,214,382)	(31,140,741)
Settlements	-	-	-	-	-	-	-	-
	(6,670,469)	(5,923,328)	(1,439,070)	(1,335,238)	(26,104,843)	(23,882,175)	(34,214,382)	(31,140,741)
Liabilities from business combination	-	-	-	-	-	-	-	-
Closing defined benefit obligation	50,511,325	50,395,763	9,007,926	9,931,920	463,131,353	521,453,367	522,650,604	581,781,050
<b>Present value of plan assets</b>								
Opening fair value of plan assets	40,830,507	39,258,228	3,848,018	4,258,371	80,498,562	90,386,053	125,177,087	133,902,652
Current service cost	-	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-
Interest income	1,253,785	1,333,065	155,150	178,434	2,242,089	2,887,760	3,651,024	4,399,259
	42,084,292	40,591,293	4,003,168	4,436,805	82,740,651	93,273,813	128,828,111	138,301,911
<b>Remeasurements</b>								
Actual return on fund assets less interest income	6,149,499	4,090,319	549,740	318,633	11,468,342	7,677,012	18,167,581	12,085,964
	6,149,499	4,090,319	549,740	318,633	11,468,342	7,677,012	18,167,581	12,085,964
Exchange differences on foreign plans	-	-	-	-	-	-	-	-

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	SASS		SANCS		SSS		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
<b>Contributions</b>								
Employer	1,564,813	1,609,606	474,945	508,698	710,915	854,512	2,750,673	2,972,816
Plan participants	765,629	803,992	–	–	864,861	876,667	1,630,490	1,680,659
	2,330,442	2,413,598	474,945	508,698	1,575,776	1,731,179	4,381,163	4,653,475
Taxes, premiums and expenses paid	(287,763)	(341,374)	99,810	(80,880)	3,246,496	1,698,732	3,058,543	1,276,478
<b>Payments from plan</b>								
Benefits paid	(6,670,471)	(5,923,329)	(1,439,070)	(1,335,238)	(26,104,842)	(23,882,174)	(34,214,383)	(31,140,741)
Settlements	–	–	–	–	–	–	–	–
	(6,670,471)	(5,923,329)	(1,439,070)	(1,335,238)	(26,104,842)	(23,882,174)	(34,214,383)	(31,140,741)
Assets acquired in a business combination	–	–	–	–	–	–	–	–
Closing fair value of plans assets	43,605,999	40,830,507	3,688,593	3,848,018	72,926,423	80,498,562	120,221,015	125,177,087
<b>Reconciliation of the net defined benefit liability/(asset)</b>								
Net defined benefit liability/(asset) at start of year	9,565,256	8,869,781	6,083,902	5,610,993	440,954,805	401,823,766	456,603,963	416,304,540
Current service cost	1,743,949	1,750,720	385,628	395,875	1,030,923	1,056,086	3,160,500	3,202,681
Net interest on the net defined benefit liability/(asset)	315,655	328,182	156,047	156,479	14,551,509	14,867,479	15,023,211	15,352,140
Past service cost	–	–	–	–	–	–	–	–
(Gains)/losses arising from settlements	–	–	–	–	–	–	–	–
Actual return on fund assets less Interest income	(6,149,499)	(4,090,319)	(549,740)	(318,633)	(11,468,342)	(7,677,012)	(18,167,581)	(12,085,964)
Actuarial (gains)/losses arising from changes in demographic assumptions	–	16,296	–	(59,107)	–	11,009,340	–	10,966,529
Actuarial (gains)/losses arising from changes in financial assumptions	(1,584,107)	723,264	(429,200)	233,381	(54,440,093)	24,654,718	(56,453,400)	25,611,363
Actuarial (gains)/losses arising from liability experience	4,578,885	3,576,938	147,641	573,612	287,043	(3,925,060)	5,013,569	225,490
Adjustment for effect of asset ceiling	–	–	–	–	–	–	–	–
Employer contributions	(1,564,813)	(1,609,606)	(474,945)	(508,698)	(710,915)	(854,512)	(2,750,673)	(2,972,816)
Net defined benefit liability/(asset) at end of year	6,905,326	9,565,256	5,319,333	6,083,902	390,204,930	440,954,805	402,429,589	456,603,963
	Note 19							
<b>Impact of asset ceiling</b>								
Adjustment for the effect of asset ceiling at beginning of the year	–	–	–	–	–	–	–	–
Change in the effect of asset ceiling	–	–	–	–	–	–	–	–
Adjustment for the effect of asset ceiling at end of the year	–	–	–	–	–	–	–	–



## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	SASS		SANCS		SSS		Total		
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	
<b>25. DEFINED BENEFITS PLANS (continued)</b>									
<b>Reimbursement rights</b>									
Opening value of reimbursement right	9,565,256	8,869,781	–	–	440,954,805	401,823,766	450,520,061	410,693,547	
Expected return on reimbursement rights	(2,659,930)	695,475	–	–	(50,749,875)	39,131,039	(53,409,805)	39,826,514	
Closing value of reimbursement right	6,905,326	9,565,256	–	–	390,204,930	440,954,805	397,110,256	450,520,061	
<b>Net liability</b>									
Defined benefit obligation	50,511,325	50,395,763	9,007,926	9,931,920	463,131,353	521,453,367	522,650,604	581,781,050	
Fair value of plan assets	(43,605,999)	(40,830,507)	(3,688,593)	(3,848,018)	(72,926,423)	(80,498,562)	(120,221,015)	(125,177,087)	
Net liability	Note 19	6,905,326	9,565,256	5,319,333	6,083,902	390,204,930	440,954,805	402,429,589	456,603,963
Reimbursement right	Note 10	6,905,326	9,565,256	–	–	390,204,930	440,954,805	397,110,256	450,520,061
Net liability/(asset) in balance sheet		–	–	5,319,333	6,083,902	–	–	5,319,333	6,083,902
<b>Expense recognised</b>									
Current service cost	1,743,949	1,750,720	385,628	395,875	1,030,924	1,056,086	3,160,501	3,202,681	
Net interest	315,653	328,182	156,047	156,479	14,551,509	14,867,479	15,023,209	15,352,140	
Expected return on plan assets	–	–	–	–	–	–	–	–	
Past service costs	–	–	–	–	–	–	–	–	
Losses/(gains) arising from curtailments or settlements	–	–	–	–	–	–	–	–	
Expense/(income)	2,059,602	2,078,902	541,675	552,354	15,582,433	15,923,565	18,183,710	18,554,821	
<b>Other comprehensive income</b>									
Actuarial losses/(gains) on liabilities	2,994,778	4,316,498	(281,559)	747,886	(54,153,050)	31,738,997	(51,439,831)	36,803,381	
Actual return on fund assets less interest income	(6,149,499)	(4,090,319)	(549,740)	(318,633)	(11,468,342)	(7,677,011)	(18,167,581)	(12,085,963)	
Recognised in other comprehensive income	(3,154,721)	226,179	(831,299)	429,253	(65,621,392)	24,061,986	(69,607,412)	24,717,418	

**UniSuper Management Limited**

The University contributes to UniSuper for non-academic staff appointed since 1 July 1991 and academic staff appointed since 1 March 1998. UniSuper offers both a defined benefit scheme and an accumulation scheme with a range of investment options.

1. The UniSuper Defined Benefit Division (DBD) is a defined benefit plan.
2. During the 2006 year clause 34 of the UniSuper Trust Deed was amended which substantially transfers the actuarial risks from the employer to the employee. The amendment to the trust deed has resulted in the UniSuper defined benefit fund to be reclassified as a defined contribution fund for the purposes of AASB 119 *Employee Benefits*.
3. As at 30 June 2013 the assets of the DBD in aggregate were estimated to be \$691 million in deficiency of vested benefits (\$770 million after allowing for various reserves). The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.

As at 30 June 2013 the assets of the DBD in aggregate were estimated to be \$861 million above accrued benefits (\$782 million after allowing for various reserves). The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

4. The vested benefit and accrued benefit liabilities were determined by the fund's actuary, Russell Employee Benefits, using the actuarial demographic assumptions outlined in their report dated 14 November 2013 on the actuarial investigation of the DBD as at 30 June 2013. The financial assumptions used were:

	Vested benefits	Accrued benefits
	% pa	% pa
> Gross of tax investment return — DBD pensions	6.10	7.80
> Gross of tax investment return — commercial rate indexed pensions	3.70	3.70
> Net of tax investment return — non-pensioner members	5.50	7.00
> Consumer Price Index	2.75	2.75
> Inflationary salary increases long term	3.75	3.75

5. Assets have been included at their net market value, that is allowing for realisation costs.
6. Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.
7. Clause 34 was initiated following the 31 December 2008, 30 June 2011 and 30 June 2012 actuarial investigations and it has again been initiated following the 30 June 2013 actuarial investigation.

## 26. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

### (a) Contingent assets

The University carries out various research projects and has developed intellectual properties and registered patents. At the commercialisation of these the University may realise a future monetary benefit.

### (b) Contingent liabilities

- (i) Consequent upon the HIH Insurance Group being placed in provisional liquidation on 16 March 2001, the University may have an exposure to the non-settlement of potential public liability claims. The extent of any potential exposure cannot be estimated.
- (ii) There are ongoing legal matters where it is still not practical to estimate the potential effect of these matters, but legal advice indicates, based on current information, that any liabilities that may arise in the event that the claims are successful are unlikely to be significant in the context of the University's business.

The University is not aware of any other contingent liabilities.

## 27. ECONOMIC DEPENDENCY

The University has no economic dependency on any other economic entity not clearly discernable in the income statement or statement of financial position.

## 28. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy specified in note 1(b).

Name of entity	Principal activities	Country of incorporation	Ownership interest/control		Equity	
			2013 %	2012 %	2013 \$'000	2012 \$'000
<b>Parent entity</b>						
University of Technology, Sydney	Education services	Australia	–	–	1,364,979	1,269,079
<b>Controlled entities</b>						
INSEARCH Limited (company limited by guarantee) <sup>1</sup>	Education services	Australia	100	100	41,642	38,744
INSEARCH (Shanghai) Limited	Education services	China	100	100	273	327
INSEARCH Education International Pty Limited	Education services	Australia	100	100	2	203
INSEARCH Education Ltd	Education services	United Kingdom	100	100	190	–
accessUTS Pty Limited	Consulting	Australia	100	100	336	265
UTS Global Pty Ltd	Marketing services	Australia	100	100	25	(9)

1. INSEARCH Limited is a controlled entity as defined by the Australian accounting standards.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 29. RELATED PARTIES

### (a) Parent entities

The ultimate parent entity within the group is the University of Technology, Sydney.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 28.

### (c) Key management personnel

Disclosures relating to responsible persons and executive officers are set out in note 7.

### (d) Transactions with related parties in the wholly owned group

The parent entity entered into the following transactions during the period with related parties in the group.

(1) Donations amounting to \$2,648,000 (2012: \$1,099,000) were paid or payable to the ultimate controlling entity.

(2) Sale of services and fees \$18,006,929 (2012: \$18,031,292) to the wholly owned University of Technology, Sydney group.

(3) Purchase of services and fees \$12,779,261 (2012: \$12,398,206) by the wholly owned University of Technology, Sydney group.

(4) Purchase of shares in a subsidiary \$0 (2012: \$0) by the wholly owned University of Technology, Sydney group.

### (e) Outstanding balances

	Economic entity (Consolidated)		Parent entity (University)	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Current receivables</b>				
Subsidiaries	–	–	1,092	434
<b>Current receivables (loans)</b>				
Subsidiaries	–	–	35	35

Included in the total doubtful debts provision in the parent entity is a provision of \$0 (2012: \$0) for doubtful debts for outstanding balances due from related parties.

	Revenue		Results		Assets	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>30. DISAGGREGATION INFORMATION (CONSOLIDATED)</b>						
<b>Geographical (consolidated entity)</b>						
Australia	716,033	680,152	66,043	59,635	2,105,611	1,986,659
China	3,881	2,884	1,011	1,465	3,166	337
United Kingdom	–	–	345	132	2,408	2,066
South-East Asia	111	78	57	16	–	–
<b>Total</b>	<b>720,025</b>	<b>683,114</b>	<b>67,456</b>	<b>61,248</b>	<b>2,111,185</b>	<b>1,989,062</b>

(a) Includes discontinued operations

## 31. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The University is not aware of any other subsequent events which have affected the reported result.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Economic entity (Consolidated)		Parent entity (University)	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>32. RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating result for the period	67,456	61,248	64,577	59,167
Depreciation, amortisation and impairment PPE and intangibles	62,466	62,689	57,839	58,539
Increase/(decrease) in provisions:				
> annual leave	1,425	1,060	1,281	1,068
> doubtful debts	(246)	(250)	(212)	(236)
> long service leave	(4,536)	5,850	(4,643)	5,832
> deferred superannuation	(54,174)	40,299	(54,174)	40,299
Decrease/(increase) in receivables	(3,614)	(768)	(3,537)	1,160
Decrease/(increase) in non-current receivables	54,535	(39,827)	53,410	(39,826)
Decrease/(increase) in prepayments and accrued income	(222)	(1,694)	2,082	(2,464)
(Decrease)/increase in accounts payable	(9,577)	7,810	(8,748)	6,720
(Decrease)/increase in income in advance	8,838	3,322	(77)	1,969
(Profit)/loss on sale of assets	(206)	(110)	(207)	(191)
Share of profit of joint venture not received as dividends or distribution	(261)	1,450	-	-
Fair value gains on other financial assets at fair value through profit or loss	(897)	-	(897)	-
Actuarial gain/(loss) on deferred superannuation	831	(429)	831	(429)
Net cash provided by operating activities	121,818	140,650	107,525	131,608

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

## 33.1 Education — CGS and other education grants

Parent entity (University) only								
Notes	Commonwealth Grant Scheme <sup>1</sup>		Indigenous Support Program		Partnership and Participation Program <sup>2</sup>		Disability Support Program	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>	157,825	152,965	933	982	3,201	2,298	405	246
Net accrual adjustments	–	–	–	–	–	–	–	–
<b>Revenue for the period</b>	2.1 (a) 157,825	152,965	933	982	3,201	2,298	405	246
Surplus/(deficit) from the previous year	–	–	–	–	–	–	–	–
Total revenue including accrued revenue	157,825	152,965	933	982	3,201	2,298	405	246
Less expenses including accrued expenses	(157,825)	(152,965)	(933)	(982)	(3,201)	(2,298)	(405)	(246)
Surplus/(deficit) for reporting period	–	–	–	–	–	–	–	–

Parent entity (University) only								
Notes	Diversity and Structural Adjustment Fund <sup>3</sup>		Transitional Cost Program		Promotion of Excellence in Teaching in Higher Education		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>	–	373	–	299	401	51	162,765	157,214
Net accrual adjustments	–	–	–	–	–	–	–	–
<b>Revenue for the period</b>	2.1(a) –	373	–	299	401	51	162,765	157,214
Surplus/(deficit) from the previous year	–	–	–	–	–	–	–	–
Total revenue including accrued revenue	–	373	–	299	401	51	162,765	157,214
Less expenses including accrued expenses	–	(373)	–	(299)	(401)	(51)	(162,765)	(157,214)
Surplus/(deficit) for reporting period	–	–	–	–	–	–	–	–

1. Includes the basic CGS grant amount, CGS — regional loading, CGS — enabling loading, maths and science transition loading and full fee places transition loading.

2. Includes Equity Support Program.

3. Includes Collaboration and Structural Reform Program.

## 33.2 Higher education loan programs (excluding OS-HELP)

Parent entity (University) only								
Notes	HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash payable/(receivable) at beginning of year	1,494	1,339	1,624	(237)	(69)	–	3,049	1,102
<b>Financial assistance received in cash during the reporting period</b>	104,578	88,277	40,866	42,854	2,662	1,888	148,106	133,019
<b>Cash available for period</b>	106,072	89,616	42,490	42,617	2,593	1,888	151,155	134,121
Net accrual adjustments	(1,506)	(1,494)	(1,034)	(1,624)	14	69	(2,526)	(3,049)
<b>Revenue for the period</b>	2.1(b) 104,566	88,122	41,456	40,993	2,607	1,957	148,629	131,072
Cash payable/(receivable) at end of year	1,506	1,494	1,034	1,624	(14)	(69)	2,526	3,049

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 33.3 Australian Research Council grants

### (a) Discovery

Parent entity (University) only									
		Projects		Federation Fellowships		Future Fellowships		Indigenous Researchers Development	
	Notes	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		4,483	4,804	–	(39)	1,772	2,014	–	36
Net accrual adjustments		605	711	–	–	–	–	–	–
<b>Revenue for the period</b>	2.1(e)(i)	5,088	5,515	–	(39)	1,772	2,014	–	36
Surplus/(deficit) from the previous year		4,633	4,347	–	–	1,238	537	8	6
Total revenue including accrued revenue		9,721	9,862	–	(39)	3,010	2,551	8	42
Less expenses including accrued expenses		(3,520)	(5,229)	–	39	(1,697)	(1,313)	(8)	(34)
Surplus/(deficit) for reporting period		6,201	4,633	–	–	1,313	1,238	–	8

Parent entity (University) only							
		Early Career Researcher Award		Indigenous		Total	
	Notes	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>		604	380	33	34	6,892	7,229
Net accrual adjustments				14		619	711
<b>Revenue for the period</b>	2.1(e)(ii)	604	380	47	34	7,511	7,940
Surplus/(deficit) from the previous year		200	–	22	–	6,101	4,890
Total revenue including accrued revenue		804	380	69	34	13,612	12,830
Less expenses including accrued expenses		(478)	(180)	5	(12)	(5,698)	(6,729)
Surplus/(deficit) for reporting period		326	200	74	22	7,914	6,101

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

**33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)****33.4 Australian Research Council grants****(b) Linkages**

	Parent entity (University) only										
	Notes	Projects		International		Infrastructure		Special research initiatives		Total	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>		1,881	2,207	-	-	1,230	330	-	-	3,111	2,537
Net accrual adjustments		206	390	-	-	21	34	12	-	239	424
<b>Revenue for the period</b>	2.1(e)(ii)	2,087	2,597	-	-	1,251	364	12	-	3,350	2,961
Surplus/(deficit) from the previous year		2,934	348	40	40	485	78	-	-	3,459	466
Total revenue including accrued revenue		5,021	2,945	40	40	1,736	442	12	-	6,809	3,427
Less expenses including accrued expenses		(3,744)	(11)	(40)	-	(1,175)	43	-	-	(4,959)	32
Surplus/(deficit) for reporting period		1,277	2,934	-	40	561	485	12	-	1,850	3,459

**33.5 Australian Research Council grants****(c) Networks and centres**

	Parent entity (University) only									
	Notes	Research networks		Centres		Total				
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000			
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>		-	-	-	-	-	-			
Net accrual adjustments		3	-	255	116	258	116			
<b>Revenue for the period</b>	2.1(e)(iii)	3	-	255	116	258	116			
Surplus/(deficit) from the previous year		-	-	73	94	73	94			
Total revenue including accrued revenue		3	-	328	210	331	210			
Less expenses including accrued expenses		-	-	(148)	(137)	(148)	(137)			
Surplus/(deficit) for reporting period		3	-	180	73	183	73			

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

**33.6 Education research**

	Parent entity (University) only											
	Joint Research Engagement Program <sup>1</sup>		Research Training Scheme		Research Infrastructure Block Grants		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>	4,860	4,771	10,716	10,290	2,161	2,345	-	-	1,708	1,576	19,445	18,982
Net accrual adjustments	-	-	-	-	-	-	(32)	-	-	-	(32)	-
<b>Revenue for the period</b>	4,860	4,771	10,716	10,290	2,161	2,345	(32)	-	1,708	1,576	19,413	18,982
Surplus/(deficit) from the previous year	34	1,590	-	-	1,439	800	32	32	1	111	1,506	2,533
Total revenue including accrued revenue	4,894	6,361	10,716	10,290	3,600	3,145	-	32	1,709	1,687	20,919	21,515
Less expenses including accrued expenses	(6,092)	(6,327)	(10,716)	(10,290)	(3,073)	(1,706)	-	-	(1,709)	(1,686)	(21,590)	(20,009)
Surplus/(deficit) for reporting period	(1,198)	34	-	-	527	1,439	-	32	-	1	(671)	1,506

1. Includes Institutional Grants Scheme.

**33.7 Scholarships**

	Parent entity (University) only													
	Notes		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships <sup>1</sup>		Commonwealth Accommodation Scholarships <sup>1</sup>		Indigenous Access Scholarships		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>			4,706	4,354	399	384	(870)	946	(10)	38	(85)	144	4,140	5,866
Net accrual adjustments			-	-	-	-	306	(306)	-	-	85	(85)	391	(391)
<b>Revenue for the period</b>		2.1(c)	4,706	4,354	399	384	(564)	640	(10)	38	-	59	4,531	5,475
Surplus/(deficit) from the previous year			706	432	25	29	1,224	1,108	(356)	(394)	(9)	(12)	1,590	1,163
Total revenue including accrued revenue			5,412	4,786	424	413	660	1,748	(366)	(356)	(9)	47	6,121	6,638
Less expenses including accrued expenses			(5,160)	(4,060)	(310)	(388)	(23)	(524)	(92)	-	(102)	(56)	(5,687)	(5,048)
Surplus/(deficit) for reporting period			252	706	114	25	637	1,224	(458)	(356)	(111)	(9)	434	1,590

1. Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.



## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

**33. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (continued)****33.8 Other capital funding**

Parent entity (University) only							
		Teaching and Learning Capital Fund		Education Investment Fund		Total	
	Notes	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>		-	-	17,000	28,200	17,000	28,200
Net accrual adjustments		-	-	-	-	-	-
<b>Revenue for the period</b>	2.1(f)	-	-	17,000	28,200	17,000	28,200
Surplus/(deficit) from the previous year		-	3,267	-	4,800	-	8,067
Total revenue including accrued revenue		-	3,267	17,000	33,000	17,000	36,267
Less expenses including accrued expenses		-	(3,267)	(17,000)	(33,000)	(17,000)	(36,267)
Surplus/(deficit) for reporting period		-	-	-	-	-	-

**33.9 OS-HELP**

Parent entity (University) only			
OS-HELP			
		2013 \$'000	2012 \$'000
<b>Cash received during the reporting period</b>		3,032	2,209
Cash spent during the reporting period		(2,480)	(1,999)
<b>Net cash received</b>		552	210
Cash surplus/(deficit) from previous period		175	(35)
Cash surplus/(deficit) for reporting period		727	175

**33.10 Student Services and Amenties Fee**

Parent entity (University) only			
SA-HELP			
		2013 \$'000	2012 \$'000
<b>Unspent/(overspent) revenue from previous period</b>		-	-
SA-HELP revenue earned		2,607	1,957
Student services fees direct from students		2,766	2,265
<b>Total revenue expendable in period</b>		5,373	4,222
Student services expenses during period		(5,373)	(4,222)
Unspent/(overspent) student services revenue		-	-

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 34. FINANCIAL RISK MANAGEMENT

The group's activities exposes it to a variety of financial risks mainly market risk (including currency and interest rate risk), credit risk and liquidity risk.

The group's principal financial instruments comprise cash and term deposits, receivables, available for sale investments, payables, loans and finance leases. The main purpose of these financial instruments is to raise finance for the group's operations.

The group manages its exposure to key financial risks including interest rate and currency risk in accordance with the University's investment procedure and directions from the University's Finance Committee. The objective is to protect the future financial security of the University.

The main risks arising from the group's financial instruments are interest rate risks, foreign currency risk, credit risk and liquidity risk. The group utilises different methods to measure and manage the different types of risks to which it is exposed. These include monitoring interest rates and foreign currency and assessing the impact on movements through monthly forecasting.

### (a) Market risk

#### Foreign exchange risk

The group's exposure to market risk for changes in foreign exchange rates relates primarily to the group's payments to overseas suppliers in payables and, to a lesser extent, foreign currency trade debtor invoices in receivables. The group's foreign currency payments and receipts are not significant and University practice is to generally use the spot rate when paying or receiving foreign currency amounts. For significant foreign denominated purchases of goods or services the University enters into forward exchange contracts on an ad-hoc basis to limit the foreign exchange risk.

The group has minimal balance sheet exposure to foreign currency movements with the majority of operations of the group occurring within Australia. A subsidiary, INSEARCH Limited, has investments in the United Kingdom and South-East Asia, which can impact the subsidiary, however on an economic entity basis the impact is minimal.

#### Interest rate risk

The group's exposure to market risk for changes in interest rate relates primarily to the group's long-term debt obligations and investments in term deposits. Long-term debt obligations are managed mainly by a revolving \$300 million debt facility and a \$40 million fixed rate loan. At 31 December 2013, 100 per cent of the group's borrowings are at a fixed rate of interest or covered by interest swap derivatives.

The economic entity in 2012 obtained a \$300 million revolving five-year debt facility with the National Australia Bank to fund the current capital expenditure program. As at 31 December 2013, \$60 million has been drawn down on this facility by the University. The University has entered into three (3) swap derivatives to manage the interest rate risk. The University will utilise hedge accounting to account for the swap derivatives.

The group primarily invests in term deposits to maximise returns. The investment portfolio is reviewed by the University's Finance Committee within the framework of the University's investment procedures.

#### Instruments used by the group

The group has the following instruments:

- > fixed interest rate loan in the normal course of business in order to hedge exposure to fluctuations in interest rates for a TCorp long-term loan
- > revolving debt facility of \$300 million
- > interest rate swaps totalling \$260 million.

#### Cash flow hedges

The University has the following cash flow hedges in order to fix the interest payments on highly probable drawdowns from the revolving credit facilities.

Description	Principal	Hedge start date	Hedge end date	Fair value as at 31 December 2013	Amount recognised in other comprehensive income during 2013
Interest rate swap	10,000,000	19-Apr-13	10-Jan-15	34,920.20	34,920.20
Interest rate swap	50,000,000	10-Jan-14	10-Jan-15	405,506.00	405,506.00
Interest rate swap	200,000,000	10-Jan-15	10-Oct-17	162,711.00	162,711.00
Total				603,137.20	603,137.20

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

**34. FINANCIAL RISK MANAGEMENT (continued)****Summarised sensitivity analysis**

The following table summarises the sensitivity of the group's financial assets and financial liabilities to interest rate risk and foreign exchange risk. The group anticipates that interest rates may decrease by up to 0.25 per cent in the 2014 year.

	Carrying amount \$'000	Interest rate risk				Foreign exchange risk			
		0.25%		-0.25%		10%		-10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2013</b>									
<b>Financial assets</b>									
Cash and cash equivalents	142,370	356	356	(356)	(356)	-	-	-	-
Receivables	417,135	-	-	-	-	150	150	150	150
Managed funds	9,601	24	24	(24)	(24)	-	-	-	-
Forward exchange contracts	7	-	-	-	-	-	-	-	-
Shares in other organisations	48	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	9,276	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>578,437</b>								
<b>Financial liabilities</b>									
Payables	58,937	-	-	-	-	178	178	(178)	(178)
Loans	100,000	-	-	-	-	-	-	-	-
Finance leases	5,562	-	-	-	-	-	-	-	-
Derivatives — interest rate swaps	603	-	(1,452)	-	1,504	-	-	-	-
<b>Total financial liabilities</b>	<b>165,102</b>								
<b>Total increase/(decrease)</b>		<b>380</b>	<b>(1,072)</b>	<b>(380)</b>	<b>1,124</b>	<b>328</b>	<b>328</b>	<b>(29)</b>	<b>(29)</b>
<b>31 December 2012</b>									
<b>Financial assets</b>									
Cash and cash equivalents	241,097	1,205	1,205	(1,205)	(1,205)	-	-	-	-
Receivables	467,810	-	-	-	-	(323)	(323)	323	323
Managed funds	49	0	0	(0)	(0)	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-
Shares in other organisations	2,002	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	8,144	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>719,102</b>								
<b>Financial liabilities</b>									
Payables	46,768	-	-	-	-	319	319	(319)	(319)
TCorp loan	40,000	-	-	-	-	-	-	-	-
Finance leases	6,686	-	-	-	-	-	-	-	-
Derivatives — interest rate swaps	-	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>93,454</b>								
<b>Total increase/(decrease)</b>		<b>1,205</b>	<b>1,205</b>	<b>(1,205)</b>	<b>(1,205)</b>	<b>(4)</b>	<b>(4)</b>	<b>4</b>	<b>4</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## (b) Credit risk

Credit risk arises from the financial assets of the group, which comprises cash and cash equivalents (including term deposits), trade and other receivables and other financial assets. The group's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The group trades only with recognised, creditworthy third parties and as such collateral is not requested.

In addition, receivables balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant.

## (c) Liquidity risk

The group's objective is to maintain a balance between continuity of funding and flexibility through use of bank loans and finance leases. The economic entity in 2012 obtained a \$300 million revolving five-year debt facility with the National Australia Bank to fund the current capital expenditure program. As at 31 December 2013, \$60 million has been drawn down on this facility by the University.

The government commenced phasing out full fee paying domestic undergraduate student fees from 1 July 2009. In 2013 the fee income received by the University for this category of student was \$1.9m (2012: \$2.5m).

The University has not entered into any financial guarantee contracts.

The following tables summarises the maturity of the group's financial assets and financial liabilities.

	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total
<b>31 December 2013</b>							
<b>Financial assets</b>							
Cash and cash equivalents	3.82%	-	142,370	-	-	-	142,370
Receivables	-	-	-	-	-	417,135	417,135
Managed funds	14.75%	-	-	9,601	-	-	9,601
Forward exchange contracts	-	-	7	-	-	-	7
Shares in other organisations	-	-	-	-	-	48	48
Investments accounted for using the equity method	-	-	-	-	-	9,276	9,276
<b>Total financial assets</b>		-	<b>142,377</b>	<b>9,601</b>	-	<b>426,459</b>	<b>578,437</b>
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	58,937	58,937
Loans	4.90%	-	-	-	60,000	-	100,000
Finance leases	6.77%	-	3,371	-	-	-	5,562
Derivatives — interest rate swaps	3.02%	-	-	-	603	-	603
<b>Total financial liabilities</b>		-	<b>3,371</b>	<b>42,191</b>	<b>60,603</b>	<b>58,937</b>	<b>165,102</b>
<b>31 December 2012</b>							
<b>Financial assets</b>							
Cash and cash equivalents	6.09%	-	241,097	-	-	-	241,097
Receivables	-	-	-	-	-	467,810	467,810
Managed funds	4.41%	49	-	-	-	-	49
Forward exchange contracts	-	-	-	-	-	-	-
Shares in other organisations	-	-	-	-	-	2,002	2,002
Investments accounted for using the equity method	-	-	-	-	-	8,144	8,144
<b>Total financial assets</b>		<b>49</b>	<b>241,097</b>	-	-	<b>477,956</b>	<b>719,102</b>
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	46,768	46,768
TCorp loan	6.41%	-	-	40,000	-	-	40,000
Finance leases	7.80%	-	3,617	3,069	-	-	6,686
Derivatives — interest rate swaps	-	-	-	-	-	-	-
<b>Total financial liabilities</b>		-	<b>3,617</b>	<b>43,069</b>	-	<b>46,768</b>	<b>93,454</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 34. FINANCIAL RISK MANAGEMENT (continued)

### (d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value of trade receivables less impairment provision and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The carrying amounts and fair values of financial assets and financial liabilities at balance date are:

	2013		2012	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>				
Cash and cash equivalents	142,370	142,370	241,097	241,097
Receivables	417,135	417,135	467,810	467,810
Managed funds	9,601	9,601	49	49
Forward exchange contracts	7	7	–	–
Shares in other organisations	48	48	2,002	2,002
Investments accounted for using the equity method	9,276	9,276	8,144	8,144
<b>Total financial assets</b>	<b>578,437</b>	<b>578,437</b>	<b>719,102</b>	<b>719,102</b>
<b>Financial liabilities</b>				
Payables	58,937	58,937	46,768	46,768
Loans	100,000	103,713	40,000	44,690
Finance leases	5,562	5,562	6,686	6,686
Derivatives — interest rate swaps	603	603	–	–
<b>Total financial liabilities</b>	<b>165,102</b>	<b>168,815</b>	<b>93,454</b>	<b>98,144</b>

### (e) Fair value hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement:

- > Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities
- > Level 2 — inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
- > Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

(i) Fair value measurements recognised in the balance sheet are categorised into the following levels:

	Notes	31 Dec 2013 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Receivables	10	397,110	–	397,110	–
Other financial assets — managed funds	11	9,601	9,601	–	–
Other financial assets — Australian listed securities	11	–	–	–	–
Other financial assets — unlisted securities	11	48	–	–	48
Other financial assets — forward exchange contracts	11	7	7	–	–
Investments using the equity method	14	9,276	–	–	9,276
<b>Total financial assets</b>		<b>416,042</b>	<b>9,608</b>	<b>397,110</b>	<b>9,324</b>
<b>Non-financial assets</b>					
Land, buildings, infrastructure and works of art	15	1,023,597	–	1,021,252	2,345
<b>Total non-financial assets</b>		<b>1,023,597</b>	<b>–</b>	<b>1,021,252</b>	<b>2,345</b>
<b>Financial liabilities</b>					
Derivatives used for hedging	20	603	603	–	–
Not applicable to financial liabilities at amortised cost		–	–	–	–
<b>Total financial liabilities</b>		<b>603</b>	<b>603</b>	<b>–</b>	<b>–</b>

	Notes	31 Dec 2012 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Receivables	10	450,520	–	450,520	–
Other financial assets — managed funds	11	49	49	–	–
Other financial assets — Australian listed securities	11	1,960	1,960	–	–
Other financial assets — unlisted securities	11	42	–	–	42
Other financial assets — forward exchange contracts	11	–	–	–	–
Investments using the equity method	14	8,144	–	–	8,144
<b>Total financial assets</b>		<b>460,715</b>	<b>2,009</b>	<b>450,520</b>	<b>8,186</b>
<b>Non-financial assets</b>					
Land, buildings, infrastructure and works of art	15	1,001,489	–	999,079	2,410
<b>Total non-financial assets</b>		<b>1,001,489</b>	<b>–</b>	<b>999,079</b>	<b>2,410</b>
<b>Financial liabilities</b>					
Derivatives used for hedging	20	–	–	–	–
Not applicable to financial liabilities at amortised cost		–	–	–	–
<b>Total financial liabilities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 34. FINANCIAL RISK MANAGEMENT (continued)

### (ii) Disclosed fair values

The fair value of financial instruments traded in active markets (such as publicly traded shares) is based on quoted market prices at the balance sheet date (level 1). This is the most representative of fair value in the circumstances. The fair value of financial instruments that are not traded in an active market (for example, shares not listed on the stock exchange) is based on cost less impairment.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The fair value of non-current borrowings disclosed in note 18 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. For the period ending 31 December 2013, the borrowing rates were determined to be between 3.76 per cent and 6.41 per cent. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

### (f) Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market is determined using either valuation techniques or cost. Where valuation techniques are used the aim is to maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The below fair value estimates are included in level 2 except for unlisted securities and investments accounted for using the equity method which are included in level 3.

1. Receivables — relates to the defined superannuation benefit funds listed in note 25 and valued independently on a yearly basis.

2. Land, buildings and infrastructure are valued independently on a yearly basis. At the end of each reporting period the group updates the assessment of the fair value of each property taking into account the most recent independent valuation.

### (g) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2013 and 2012:

	Unlisted securities \$'000	Investments using the equity method \$'000	Works of art \$'000	Total \$'000
<b>31 December 2013</b>				
Opening balance	42	8,144	2,410	10,596
Acquisitions	6	464	76	546
Disposals	–	–	(13)	(13)
Transfers from level 1	–	–	–	–
Transfers from level 2	–	–	–	–
Transfers out of level 3	–	–	–	–
Recognised in profit or loss	–	525	–	525
Recognised in other comprehensive income	–	143	(128)	15
<b>Closing balance</b>	<b>48</b>	<b>9,276</b>	<b>2,345</b>	<b>11,669</b>
<b>31 December 2012</b>				
Opening balance	252	9,493	2,410	12,155
Acquisitions	–	–	–	–
Disposals	(210)	–	–	(210)
Transfers from level 1	–	–	–	–
Transfers from level 2	–	–	–	–
Transfers out of level 3	–	–	–	–
Recognised in profit or loss	–	(1,259)	–	(1,259)
Recognised in other comprehensive income	–	(90)	–	(90)
<b>Closing balance</b>	<b>42</b>	<b>8,144</b>	<b>2,410</b>	<b>10,596</b>

**END OF AUDITED FINANCIAL STATEMENTS**

# UTS Global Pty Ltd

Statement by appointed officers	64
Independent auditor's report	65
Statement of comprehensive income	67
Statement of financial position	68
Statement of changes in equity	69
Statement of cash flows	69
Notes to the financial statements	70
1. Summary of significant accounting policies	70
2. Revenue from continuing operations	71
3. Expenses from continuing operations	71
4. Cash and cash equivalents	71
5. Receivables	71
6. Other non-financial assets	71
7. Payables	71
8. Retained earnings	71
9. Share capital	71
10. Remuneration of directors	71
11. Related parties	72
12. Financial risk management	72
13. Notes to statement of cash flows	72
14. After balance date events	72
15. Contingent liabilities and contingent assets	72
16. Remuneration of auditors	73
17. Going concern	73



## Statement by appointed officers

### STATEMENT BY APPOINTED OFFICERS

#### Statement in accordance with section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*

In accordance with a resolution by the board of Directors of UTS Global Pty Ltd and pursuant to section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

1. the financial statements present a true and fair value of the financial position of UTS Global Pty Ltd as at 31 December 2013 and the results of its operations and transactions of the company for the year then ended.
2. the financial statements have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010*.
3. the financial statements have been prepared in accordance with Australian Accounting Standards (AASB), AASB interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate
5. there are reasonable grounds to believe that UTS Global Pty Ltd will be able to pay its debts as and when they fall due.

Signed on 19/04/2014 in accordance with a resolution of Directors.



Director  
Mr Patrick Woods



Director  
Professor William Purcell

# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

### UTS Global Pty Ltd

To Members of the New South Wales Parliament and Directors of UTS Global Pty Ltd,

I have audited the accompanying financial statements of UTS Global Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statements of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the company as at 31 December 2013, and of the financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

### Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent auditor's report

My opinion does *not* provide assurance:

- about the future viability of the Company
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Caroline Karakatsanis,  
Director, Financial Audit Services

16 April 2014  
SYDNEY

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
<b>Continuing operations</b>			
Revenue from continuing operations	2	275,678	-
Other expenses	3	233,437	8,642
<b>Profit/(loss) before income tax</b>		42,241	(8,642)
Net result for the period for continuing operations		42,241	(8,642)
Net result for the period is attributable to the owners		42,241	(8,642)
<b>Total comprehensive income is attributable to the owners</b>		<b>42,241</b>	<b>(8,642)</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	275,335	1
Receivables	5	314	-
Other non-financial assets	6	14,038	-
Total current assets		289,687	1
<b>Total assets</b>		<b>289,687</b>	<b>1</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	7	256,087	8,642
Total current liabilities		256,087	8,642
<b>Total liabilities</b>		<b>256,087</b>	<b>8,642</b>
<b>Net assets</b>		<b>33,600</b>	<b>(8,641)</b>
<b>Equity</b>			
Retained earnings	8	33,599	(8,642)
Share capital	9	1	1
<b>Total equity</b>		<b>33,600</b>	<b>(8,641)</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2013

	2013 \$	2012 \$
<b>Balance as at 1 January 2013</b>	(8,641)	-
Total comprehensive income for the period	-	-
Profit/(loss) for the period	42,241	(8,642)
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>42,241</b>	<b>(8,642)</b>
Transactions with owners recorded directly in equity	-	1
<b>Balance at 31 December 2013</b>	<b>33,600</b>	<b>(8,641)</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## STATEMENT OF CASH FLOWS

AS AT 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Contribution from UTS		275,000	-
Interest received		678	-
Bank fees and charges		(30)	-
TFN withholding tax		(314)	-
<b>Net cash provided by / (used in) operating activities</b>	13	<b>275,334</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of shares		-	1
<b>Net cash provided by / (used in) investing activities</b>		<b>-</b>	<b>1</b>
<b>Cash flows from financing activities</b>			
<b>Net cash provided by / (used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>275,334</b>	<b>1</b>
Cash and cash equivalents at the beginning of the financial year		1	-
<b>Cash and cash equivalents at the end of the financial year</b>		<b>275,335</b>	<b>1</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

UTS Global Pty Ltd is a company limited by shares and is incorporated and domiciled in Australia and is a wholly owned subsidiary of the University of Technology, Sydney.

The company's principal business activities are to provide marketing and profile building services to UTS. UTS Global is considered a not-for-profit entity as profit is not its principle objective.

The company's principal place of business is 15 Broadway, Ultimo NSW 2007.

### (b) Basis of preparation and statement of compliance

The company's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with Australian Accounting Standards, which include Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010, and other mandatory reporting requirements. The statements are presented in Australian dollars and rounded to the nearest dollar.

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (c) Financial instruments

Financial instruments give rise to positions that are financial assets or liabilities (or equity instruments) of either company or its counterparties. These include cash at bank, receivables and accounts payable. Note 10 discloses the risk and management of those risks regarding financial instruments.

#### (i) Cash

Cash comprises cash on hand and bank balances. Interest has been earned at the prevailing rates.

#### (ii) Receivables

Trade receivables are recorded at amounts due at balance date, less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written off as incurred.

#### (iii) Payables

Trade accounts payable, other payables and accruals are recognised when the economic entity becomes obliged to make future payments as a result of purchase of goods and services.

### (d) Revenue recognition

Revenue comprises fees received from UTS for marketing services provided. Revenue from marketing services is recognised when services are provided.

Grants from institutions are recognised when control of the grant or the right to receive the grant is obtained. Project revenue is recognised periodically during the course of the project and at its conclusion.

Revenue arising from the sale of assets is recognised on disposal.

Interest revenue is recognised as it accrues.

### (e) Taxation

#### (i) Accounting for Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or part of an item of expense, or for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the taxation authority is classified within operating activities.

#### (ii) Judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances.

### (f) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2013 reporting period. UTS Global has not exercised the right to early adopt any new or revised accounting standard.

### (g) Changes in accounting policy

There have been no changes to accounting policy in the 2013 year.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

Notes	2013 \$	2012 \$
<b>2. REVENUE FROM CONTINUING OPERATIONS</b>		
Contribution from UTS	275,000	–
Interest earned	678	–
<b>Total revenue from continuing operations</b>	<b>275,678</b>	<b>–</b>
<b>3. EXPENSES FROM CONTINUING OPERATIONS</b>		
Company secretary fee	4,000	1,000
Consulting	211,168	–
Legal fees	12,955	–
Bank fees and charges	31	–
Other	5,283	7,642
<b>Total expenses from continuing operations</b>	<b>233,437</b>	<b>8,642</b>
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	275,335	1
<b>Total cash and cash equivalents</b>	<b>275,335</b>	<b>1</b>
<b>5. RECEIVABLES</b>		
Trade receivables	314	–
<b>Total receivables</b>	<b>314</b>	<b>–</b>
<b>6. OTHER NON-FINANCIAL ASSETS</b>		
Prepayments	14,038	–
<b>Total other non-financial assets</b>	<b>14,038</b>	<b>–</b>
<b>7. PAYABLES</b>		
Trade payables	256,087	8,642
<b>Total payables</b>	<b>256,087</b>	<b>8,642</b>
<b>8. RETAINED EARNINGS</b>		
Balance at the beginning of the period	(8,642)	–
Surplus/(deficit) for the period	42,241	(8,642)
<b>Balance as at 31 December 2013</b>	<b>33,599</b>	<b>(8,642)</b>
<b>9. SHARE CAPITAL</b>		
Ordinary shares	1	1
<b>Total share capital</b>	<b>1</b>	<b>1</b>
<b>10. REMUNERATION OF DIRECTORS</b>		

Directors of the company act in an honorary capacity as directors and therefore no director's fees are payable.



# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 11. RELATED PARTIES

### (a) Directors

The names of directors who held office during the financial year are:

Mr Patrick Woods  
Mr William Purcell  
Mr Roy Green

### (b) Directors' remuneration

No remuneration was paid to the directors for the 2013 financial year.

## 12. FINANCIAL RISK MANAGEMENT

### (a) Market risk

Foreign exchange risk — UTS Global does not have any exposure to market risk for changes in foreign exchange.

### (b) Credit risk

Credit risk arises from the financial assets of UTS Global Pty Ltd, which comprises cash and cash equivalents. UTS Global Pty Ltd's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. UTS Global Pty Ltd trades only with recognised, creditworthy third parties and as such collateral is not requested.

Credit risk by classification of counterparty:

	Notes	2013 \$	2012 \$
Cash and cash equivalent assets			
Bank		275,334	–
On hand		1	1
Receivables		314	–
		<b>275,649</b>	<b>1</b>

### (c) Liquidity risk

UTS Global Pty Ltd's objective is to maintain sufficient cash to meet creditor payments when due. UTS Global receives cash contributions from the holding company to meet ongoing liabilities.

### (d) Defaults and breaches

There have been no defaults or breaches in relation to the payables of the company.

## 13. NOTES TO STATEMENT OF CASH FLOWS

### (a) Reconciliation of cash

For the purposes of the statement of cash flows, cash assets include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash assets at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Notes	2013 \$	2012 \$
Cash at bank and on hand		275,335	1
<b>(b) Reconciliation of profit to net cash provided by operating activities</b>			
Profit/(loss) for the year		42,241	(8,642)
Decrease/(increase) in receivables		(314)	–
(Decrease)/increase in payables		247,445	8,642
Prepayments		(14,038)	–
<b>Net cash provided by operating activities</b>		<b>275,334</b>	<b>–</b>

## 14. AFTER BALANCE DATE EVENTS

There are no after balance date events.

## 15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities and no contingent assets as at 31 December 2013.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

Notes	2013 \$	2012 \$
<b>16. REMUNERATION OF AUDITORS</b>		
Fees from the audit of the financial statements are:	4,000	–
The auditors received no other remuneration.		
No fee was charged for the audit of UTS Global in 2012 as the fee was incorporated in the University of Technology, Sydney 2012 audit fee.		

## 17. GOING CONCERN

The normal activities of UTS Global Pty Ltd are, to a significant extent, dependent on the receipt of grants from the University of Technology, Sydney.

The University of Technology, Sydney have confirmed their present funding arrangements to the company. The directors consider that the financial plans of the company are feasible and achievable.

The financial statements are therefore prepared on a going concern basis.

## END OF AUDITED FINANCIAL STATEMENTS

# INSEARCH Limited

Report of the directors	75
Directors' declaration	77
Independent auditor's report	78
Auditor's independence declaration	80
Statement of comprehensive income	81
Statement of financial position	82
Statement of changes in equity	83
Statement of cash flows	84
Notes to the financial statements	85
1. The company	85
2. Summary of significant accounting policies	85
3. Financial risk management	90
4. Revenue	92
5. Other income	92
6. Expenses	92
7. Current assets — Cash and cash equivalents	93
8. Current assets — Trade and other receivables	94
9. Current assets — Inventories	95
10. Non-current assets — Receivables	95
11. Non-current assets — Investments accounted for using the equity method	95
12. Non-current assets — Property, plant and equipment	96
13. Non-current assets — Intangible assets	98
14. Non-current assets — Other non-current assets	100
15. Current liabilities — Finance lease liability	100
16. Current liabilities — Trade and other payables	100
17. Current liabilities — Provisions	100
18. Current liabilities — Other current liabilities	100
19. Non-current liabilities — Finance lease liability	100
20. Non-current liabilities — Provisions	101
21. Reserves and retained surplus	102
22. Key management personnel disclosures	102
23. Related party transactions	103
24. Subsidiaries	103
25. Interests in joint ventures	104
26. Remuneration of auditors	104
27. Contingencies	104
28. Commitments	105
29. Members' guarantee	106
30. Events occurring after the reporting period	106
31. Reconciliation of surplus for the year to net cash flows from operating activities	106

# Report of the directors

This report of the directors of INSEARCH Limited is made in accordance with a resolution of the directors in accordance with section 298(2)(a) of the *Corporations Act 2001* (Cwlth).

## DIRECTORS

The names of directors in office during the year and at the date of this report are:

	Note 22
	Date of appointment
Mr M Williams (Chair from 23 Nov. 08)	26 Jun 08
Mr P Bennett	25 May 11
Ms D Hill	27 Mar 08
Mr JM Hutchison, AM	27 Nov 08
Professor B Milthorpe	1 Aug 09
Mr A Murphy	3 Sep 07
Professor W Purcell	21 May 09
Mr P Woods	25 May 07

## COMPANY SECRETARY

The name of the company secretary in office at the date of this report is:

Mr NL Patrick (appointed 21 October 2010)

## PRINCIPAL ACTIVITIES

The activities of the company during the financial year ended 31 December 2013 were the provision of English language, foundation and academic courses that are designed as pathways to university studies.

## REVIEW AND RESULT OF OPERATIONS

In addition to the Chair's year in review, INSEARCH also reported a profit of \$2.9m, after the payment of a donation to the University of Technology, Sydney of \$2.6m (note 6). This profit added to the prior year accumulated profits brings the balance of the accumulated funds to \$43.2m.

## BUSINESS STRATEGIES AND FUTURE DEVELOPMENTS

The main objectives of the company are to provide pathway courses for undergraduate entry to the University of Technology, Sydney and to pay donations to the University when appropriate. Scholarship programs and partnerships with other organisations to provide educational facilities/courses are also objectives of the company. The strategies of the company are focused on achieving these objectives.

Business strategies, prospects and future developments, which may affect the operations of the company in subsequent years, have been reported as appropriate elsewhere in this report. In the opinion of the directors, disclosure of any further information on future developments would be unreasonably prejudicial to the interests of the company.

## DIRECTORS' BENEFITS

No director of the company has, during and since the end of the financial year, received or become entitled to receive a benefit, other than the benefit included in the aggregate amount of director's compensation shown on note 22 of the financial report.

## INSURANCE OF DIRECTORS AND OFFICERS

During the financial year a premium to insure directors and officers of the company was paid by the University of Technology, Sydney to the amount of \$5,363 (2012: \$4,624) per s 300 (1)(g), 300(8) and 300(9) of the *Corporations Act 2001*.

The liabilities insured include costs and expenses that may be brought against the directors and officers in their capacity as directors and officers of the company.

## INFORMATION ON DIRECTORS

### Mack Williams

*Non-Executive Director, Chair of the Board, Chair of the Remuneration Committee*

Mr Williams had a long career in the Australian diplomatic service, including as High Commissioner to Bangladesh, Ambassador to the Philippines and the Republic of Korea and senior positions in Canberra.

He followed this with consultancies in the commercial and academic sectors (including for Coca-Cola Amatil and the Vice-Chancellor of the University of Sydney) as well as roles on boards of not-for-profit organisations.

Mr Williams has been vice-president of the Australia Korea Business Council, a member of the Australia Korea Foundation Board, president of the NSW branch of the Australian Institute of International Affairs and a member of the board of Clean Up Australia and of the Research Institute for Asia and the Pacific at the University of Sydney. Currently he is co-Chair of the Advisory Board of the Korea Research Institute at the University of New South Wales and a member of the Sight for Life Board at Sydney Eye Hospital.

**Peter Bennett**, BEc, DipEd (Monash), MBA (Melb), FCPA, GAICD, SA Fin  
*Non-Executive Director, Member of the Audit and Risk Committee*

Mr Bennett has 30 years of experience in accounting and finance, including holding senior executive positions in the finance industry and the consumer goods industry in the Asia-Pacific region. He is also a member of the University of Technology, Sydney (UTS) Council and a board member of Campbell Page.

**Dianne Hill**, BA Accounting, FCA, FAICD, MRSA, AIPM  
*Non-Executive Director, Chair of the Audit and Risk Committee*

Ms Hill has 30 years of experience as a Chartered Accountant and is a former New South Wales president and national councillor of Chartered Accountants Australia and New Zealand and a member of the advisory group that provides an ethical counselling service to chartered accountants. She is also a member of the Australian Institute of Internal Auditors.

Ms Hill has been a non-executive director for 20 years and is a fellow of the Australian Institute of Company Directors and a trustee member of CEDA. Ms Hill is a director of Job Futures Limited (Chair of the Audit and Risk Committee), Austraining International Limited, accessUTS Pty Ltd, and her management consulting company, Sector Research Pty Ltd. She is a member of the Audit and Risk Committee of the Audit Office of New South Wales and Services NSW. She is also a former director of the Australian Consumers Association (awarded life membership) and the Internal Audit Bureau of New South Wales.

**William (Bill) Purcell**, BCom(Hons), PhD (UNSW),  
DipJapaneseStud (Kyoto U Foreign St)  
*Non-Executive Director, Member of Remuneration Committee*

Professor Purcell is Deputy Vice-Chancellor (DVC) and Vice-President (International and Development) at UTS. He was formerly DVC (International) at the University of Newcastle.

Professor Purcell is a director of Sydney Educational Broadcasting Ltd, International Education Association of Australia Ltd and UTS Global Pty Ltd, and a trustee of the Mitsui Education Foundation. He is a board member of the Universities Australia DVC International Committee and a member of the Art Gallery of New South Wales VisAsia Board.

Professor Purcell's other corporate board positions have included chair and CEO of UON Singapore Pte Ltd, IDP Education Australia Ltd and AHIEA Ltd.

Over the past 25 years, Professor Purcell has served as a corporate consultant in internationalisation and international joint venturing. Professor Purcell has also served as a business and government advisor and consultant in Australia and across Asia.

## Report of the directors (continued)

**Jon Hutchison**, AM, BCom, CPA

*Non-Executive Director, Member of Remuneration Committee*

Mr Hutchison was the chief executive officer of Business Events Sydney from 1998 to 2011. Prior to that appointment, and after a long career as a senior executive in the aviation industry, Mr Hutchison was appointed managing director of the Australian Tourist Commission, now known as Tourism Australia.

Mr Hutchison is an Adjunct Professor at UTS and Chair of UTS's Australian Centre for Event Management Advisory Board. He is also a director of Tasman Cargo Airlines and Presdyn Pty Ltd, and is a tourism and business events consultant.

In 2006, Mr Hutchison was awarded membership of the Order of Australia for his service to tourism and business, through promoting Australia as a travel destination and in leadership and advisory roles with industry organisations.

**Bruce Milthorpe**, BA(Hons), PhD, GradDipHEd, FBSE, GAICD

*Non-Executive Director*

Professor Milthorpe is the Dean, Faculty of Science, at the University of Technology, Sydney. He has 27 years experience in biomedical engineering and 10 years experience in senior leadership roles in the tertiary education sector.

Professor Milthorpe is a director of the Sydney Institute of Marine Science and an editorial board member for the *International Journal of Biomaterials* and the *Journal of Materials Science: Materials in Medicine*.

**Alex Murphy**, BA(Hons), MAICD

*Managing Director*

Mr Murphy is Managing Director of INSEARCH. He has 22 years experience with INSEARCH in education, marketing and senior management roles.

Mr Murphy has had a long interest in education, intercultural communication and ethics, having studied linguistics, Indonesian and Malayan studies and philosophy at the University of Sydney. He lived in Indonesia for several years before returning to Australia and joining INSEARCH.

Mr Murphy has been a member of the St James Ethics Centre since 1997.

**Patrick Woods**, BSc, MBA, ACPA, FAICD

*Non-Executive Director, Member of Audit and Risk Committee*

Mr Woods is the Deputy Vice-Chancellor and Vice President (Resources) at UTS. Prior to joining UTS in 2006, he spent 28 years in the private and corporate sectors holding numerous CEO, director and executive positions in various local companies, as well as international companies across North America, Asia and the Middle East.

Mr Woods is a director of the Pain Management Research Institute as well as Woods Int. Pty. Ltd. He has held board roles in various sectors, including information technology, distribution, advertising, recruitment, health and higher education. He has been a member of audit and risk, commercial activities, finance, physical infrastructure and board nominations committees.

### INFORMATION ON COMPANY SECRETARY

**Mr Nathan Patrick**, BBus, GradDipACG, FCA, AGIA, ACIS, FAICD  
*Company Secretary*

Mr Patrick was appointed Chief Financial Officer of INSEARCH Limited in 2010. During the previous 25 years he held senior financial, management and governance positions in the professional services, manufacturing and construction industries, in Australia and Asia.

His career includes more than 15 years in diverse roles in 'Big 4' accounting firms and five years as the chief operating officer of a law firm.

### MEETINGS OF DIRECTORS

The number of directors' meetings (including meetings of committees) held, and the number of meetings each director was eligible to attend and actually attended during the financial year, are as follows.

Director	Board meetings		Audit and Risk Management Committee meetings		Remuneration Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mack Williams	8	8	–	–	3	3
Dianne Hill	8	8	4	4	–	–
Jon Hutchison	8	8	–	2	3	3
William Purcell	8	7	–	1	3	2
Bruce Milthorpe	8	8	–	–	–	–
Alex Murphy	8	7	–	4	–	–
Patrick Woods	8	7	4	4	–	–
Peter Bennett	8	7	4	3	–	–

Note: Directors have an open invitation to attend any Audit and Risk Management Committee meeting.

### ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that class order, unless shown otherwise.

### AUDITOR

A copy of the Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 80 of this report.

For and on behalf of the directors signed at Sydney this 31 March 2014.



Mr Mack Williams  
Director



Mr Alex Murphy  
Director


## Directors' declaration

In accordance with a resolution of the directors of INSEARCH Limited, the directors of the company declare that:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001* (Cwlth) and:
  - (i) comply with Accounting Standards and the *Public Finance and Audit Act 1983* (NSW) and the Public Finance and Audit Regulation 2010 (NSW), as stated in accounting policy note 2 to the financial statements, and
  - (ii) give a true and fair view of the financial position as at 31 December 2013 and of the performance for the year ended on that date of the consolidated group.
- (b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors pursuant to section 295(5) of the *Corporations Act 2001*.

Signed on behalf of the Board of Directors



Mr M Williams

Director  
31 March 2014



Mr A Murphy

Director  
31 March 2014

# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

### Insearch Limited

To Members of the New South Wales Parliament and Members of Insearch Limited

I have audited the accompanying financial statements of Insearch Limited (the Company), which comprise the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity. The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

### Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2013 and of their performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

## Independent auditor's report

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company and the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Insearch Limited on 31 March 2014, would be in the same terms if provided to the directors as at the time of this auditor's report.



Caroline Karakatsanis  
Director, Financial Audit Services

3 April 2014  
SYDNEY



# Auditor's independence declaration



To the Directors  
Insearch Limited

## Auditor's Independence Declaration

As auditor for the audit of the financial statements of Insearch Limited for the year ended 31 December 2013, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "C Karakatsanis".

Caroline Karakatsanis  
Director, Financial Audit Services

31 March 2014  
SYDNEY

# Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Consolidated entity		Parent entity	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Revenue from continuing operations</b>	4	63,551	52,340	63,547	54,885
Other income	5	591	216	591	216
Employee benefits expenses	6	(27,393)	(23,903)	(27,237)	(23,783)
Depreciation and amortisation expense	6	(4,604)	(4,126)	(4,571)	(4,095)
Other expenses	6	(30,094)	(24,635)	(30,249)	(24,687)
Finance income/(costs)		90	111	90	118
Share of net profit/(loss) of joint venture partnership accounted for using the equity method	25	746	1,095	-	-
<b>Surplus for the year</b>		<b>2,887</b>	<b>1,098</b>	<b>2,171</b>	<b>2,654</b>
<b>Other comprehensive income</b>					
<b>Items that may be reclassified to profit or loss</b>					
Exchange differences on translation of foreign operations	21(a)	177	(126)	-	-
<b>Other comprehensive income for the year</b>		<b>177</b>	<b>(126)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>3,064</b>	<b>972</b>	<b>2,171</b>	<b>2,654</b>
Surplus is attributable to: Equity holders of INSEARCH Limited		2,887	1,098	2,171	2,654
Total comprehensive income for the year is attributable to: Equity holders of INSEARCH Limited		3,064	972	2,171	2,654

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## Statement of financial position

AS AT 31 DECEMBER 2013

	Notes	Consolidated entity		Parent entity	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	51,978	38,366	51,546	37,976
Trade and other receivables	8	7,091	7,520	7,160	7,571
Inventories	9	-	1	-	1
<b>Total current assets</b>		<b>59,069</b>	<b>45,887</b>	<b>58,706</b>	<b>45,548</b>
<b>Non-current assets</b>					
Receivables	10	-	1,125	-	1,125
Investments accounted for using the equity method	11	1,517	569	-	-
Property, plant and equipment	12	8,072	9,753	8,033	9,689
Intangible assets	13	3,860	4,956	3,860	4,956
Other non-current assets	14	37	31	378	313
<b>Total non-current assets</b>		<b>13,486</b>	<b>16,434</b>	<b>12,271</b>	<b>16,083</b>
<b>Total assets</b>		<b>72,555</b>	<b>62,321</b>	<b>70,977</b>	<b>61,631</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	16	232	1,555	222	1,544
Finance lease liability	15	177	305	177	305
Provisions	17	2,233	2,027	2,233	2,027
Other current liabilities	18	26,066	17,575	26,069	17,574
<b>Total current liabilities</b>		<b>28,708</b>	<b>21,462</b>	<b>28,701</b>	<b>21,450</b>
<b>Non-current liabilities</b>					
Finance lease liability	19	38	161	38	161
Provisions	20	1,802	1,755	1,802	1,755
<b>Total non-current liabilities</b>		<b>1,840</b>	<b>1,916</b>	<b>1,840</b>	<b>1,916</b>
<b>Total liabilities</b>		<b>30,548</b>	<b>23,378</b>	<b>30,541</b>	<b>23,366</b>
<b>Net assets</b>		<b>42,007</b>	<b>38,943</b>	<b>40,436</b>	<b>38,265</b>
<b>Equity</b>					
Reserves	21(a)	(1,224)	(1,401)	-	-
Retained surplus	21(b)	43,231	40,344	40,436	38,265
<b>Total equity</b>		<b>42,007</b>	<b>38,943</b>	<b>40,436</b>	<b>38,265</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Reserves \$'000	Retained surplus \$'000	Total equity \$'000
<b>Consolidated</b>				
<b>Balance at 1 January 2012</b>		(1,275)	39,246	37,971
Surplus for the year	21(b)	-	1,098	1,098
Exchange differences on translation of foreign operations	21(a)	(126)	-	(126)
Total comprehensive income for the year		(126)	1,098	972
<b>Balance at 31 December 2012</b>		(1,401)	40,344	38,943
<b>Balance at 1 January 2013</b>		(1,401)	40,344	38,943
Surplus for the year	21(b)	-	2,887	2,887
Exchange differences on translation of foreign operations	21(a)	177	-	177
Total comprehensive income for the year		177	2,887	3,064
<b>Balance at 31 December 2013</b>		<b>(1,224)</b>	<b>43,231</b>	<b>42,007</b>
<b>Parent entity</b>				
<b>Balance at 1 January 2012</b>		-	35,611	35,611
Surplus for the year	21(b)	-	2,654	2,654
Exchange differences on translation of foreign operations		-	-	-
Total comprehensive income for the year		-	2,654	2,654
<b>Balance at 31 December 2012</b>		-	38,265	38,265
<b>Balance at 1 January 2013</b>		-	38,265	38,265
Surplus for the year	21(b)	-	2,171	2,171
Total comprehensive income for the year		-	2,171	2,171
<b>Balance at 31 December 2013</b>		-	<b>40,436</b>	<b>40,436</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Consolidated entity		Parent entity	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of goods and services tax)		69,655	55,487	72,241	56,552
Donation paid to the University of Technology, Sydney		(2,648)	(1,098)	(2,648)	(960)
Payment to suppliers and employees (inclusive of goods and services tax)		(56,232)	(49,349)	(56,293)	(49,601)
		10,775	5,040	13,300	5,991
Net interest received		1,500	1,555	1,498	1,554
Interest paid		(46)	(49)	(46)	(49)
Joint venture partnership distribution received		2,546	967	–	–
Input tax credit refund from Australian Taxation Office		1,037	903	1,037	903
<b>Net cash inflow from operating activities</b>	31	<b>15,812</b>	<b>8,416</b>	<b>15,789</b>	<b>8,399</b>
<b>Cash flows from investing activities</b>					
Payment for property and equipment and intangible assets		(1,779)	(3,423)	(1,779)	(3,424)
Loans to joint venture		(40)	(60)	(40)	(60)
Proceeds from sale of property, plant and equipment		2	1	2	1
<b>Net cash (outflow) from investing activities</b>		<b>(1,817)</b>	<b>(3,482)</b>	<b>(1,817)</b>	<b>(3,483)</b>
<b>Cash flows from financing activities</b>					
Finance lease payments		(402)	(237)	(402)	(237)
<b>Net cash (outflow) from financing activities</b>		<b>(402)</b>	<b>(237)</b>	<b>(402)</b>	<b>(237)</b>
<b>Net increase in cash and cash equivalents</b>					
Cash and cash equivalents at the beginning of the financial year		38,366	33,705	37,976	33,297
Effects of exchange rate changes on cash and cash equivalents		19	(36)	–	–
<b>Cash and cash equivalents at end of the financial year</b>	7	<b>51,978</b>	<b>38,366</b>	<b>51,546</b>	<b>37,976</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. THE COMPANY

INSEARCH Limited is a public company, limited by guarantee of its members, having no share capital. The company is incorporated and domiciled in Australia. Its registered place of business is Level 9, 187 Thomas Street, Haymarket, NSW 2000. The company provides education services in English language, business and other disciplines to Australian and overseas students in Australia.

INSEARCH Limited is a controlled entity of the University of Technology, Sydney. This status is a reflection of the terms of the INSEARCH constitution and the structure of the INSEARCH Board.

The company has the wholly owned entities INSEARCH Education International Pty Limited, INSEARCH Education and INSEARCH (Shanghai) Limited. INSEARCH Education International Pty Limited is a private company, incorporated in Australia and formed in 1995. INSEARCH Education is a company registered as a charity in the United Kingdom and was formed in 2004. INSEARCH (Shanghai) Limited provides consulting, marketing support and other services to INSEARCH Limited. INSEARCH (Shanghai) Limited was formed in 2001 in the People's Republic of China.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for the parent entity and the group comprising INSEARCH Limited and its subsidiaries.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Public Finance and Audit Act 1983* (NSW), the Public Finance and Audit Regulation 2010 (NSW) and the *Corporations Act 2001* (Cwlth). Where there are inconsistencies between the above requirements, the legislative provisions have prevailed. INSEARCH Limited is a not-for-profit entity.

The consolidated financial statements for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 27 March 2014.

#### (i) Statement of compliance

The parent entity's financial statements and accompanying notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

Generally accepted accounting principles, authoritative pronouncements of the AASB, including interpretations, the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the *Corporations Act 2001* have been used to prepare the subsidiaries' financial statements.

#### (ii) New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements* effective 1 January 2013 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

The group has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2013:

> AASB 119 *Employee Benefits* (September 2011) and AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119* (September 2011).

#### (iii) Early adoption of standards

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 January 2013.

#### (iv) Historical cost convention

These financial statements have been prepared under the historical cost convention.

#### (v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies.

INSEARCH Limited has made estimates on the valuation of its joint venture investments. Estimates are based on the historical experience and other factors that are considered to be relevant, including latest available management information of financial performance and position. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### (b) Principles of consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of INSEARCH Limited ('company' or 'parent entity') as at 31 December 2013 and the results of all subsidiaries for the year then ended. INSEARCH Limited and its subsidiaries together are referred to in these financial statements as the group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (ii) Joint ventures

The interest in a joint venture partnership is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in profit or loss, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Details relating to the partnership are set out in note 25. Initial investment in the joint venture in the form of a loan is recognised as a financial asset.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

### (c) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is INSEARCH Limited's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

#### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- > assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- > income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- > all resulting exchange differences are recognised in other comprehensive income.

#### (iv) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

### (d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

#### (i) Fees

Education fees are recognised as revenue in advance upon student enrolment and are then disbursed to revenue at the time of course delivery. Education revenue is disclosed net of refunds.

#### (ii) Other fees and charges

Fees are recognised as revenue when services are provided.

#### (iii) Other income

Other income includes sale of non-current assets, foreign exchange gain or loss and net gain or loss on disposal of non-current assets. Sale of non-current assets are recognised on an accrual basis.

### (e) Expense recognition

#### (i) Direct expenses

Costs associated with delivering educational programs are recognised at the time of course delivery. Direct expenses incurred for courses not delivered are treated as prepayments.

#### (ii) Other expenses

All other expenses are charged against revenue when the liability has been recognised.

### (f) Income tax

No income tax has been provided in the attached accounts for the Australian operation as the company is exempt from income tax under section 50-55 of the *Income Tax Assessment Act 1997* (Cwlth).

Income tax has been provided, where appropriate, for the other overseas entities.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## (g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as operating cash flows.

## (h) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Assets are initially recorded at their cost at the date of acquisition. Cost is measured as the fair value of the consideration provided at the date of exchange and incidental costs directly attributable to the acquisition.

## (i) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

## (j) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash at bank is interest rate bearing with interest rates between 0.10% and 2.65% (2012: 0.10% and 2.50%). Deposits at call are bearing a floating interest rate between 2.40% and 2.65% (2012: 2.90% and 4.15%). Fixed term deposits are bearing interest rates between 3.52% and 4.40% (2012: 4.25% and 5.60%).

## (k) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

## (l) Inventories

The inventory for INSEARCH Limited represents IELTS textbooks, which are held for sale. Inventory is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## (m) Investments and other financial assets

### Classification

Investments, with the exception of financial assets at amortised cost, are measured at fair value. Changes in the fair value are either taken to the statement of comprehensive income or to an equity reserve.

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets at amortised cost, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the purpose for which the investments were required. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

## (n) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Capitalisation threshold for all assets is \$1000. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.



# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (n) Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life in the group. The Capital Review Committee reviews the estimated useful lives, residual values and depreciation method of assets at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The expected useful lives for the parent entity are as follows:

Furniture and fittings	Period of the lease
Office equipment	3–5 years
Motor vehicles	4 years
Computer equipment	3–5 years

The cost of improvements to leasehold properties has been integrated into the asset class of furniture and fittings, and has been depreciated in line with the expected unexpired period of the lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(ii)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

### (o) Intangible assets

#### (i) IT development and software

Software is initially recorded at historical cost and amortised. Subsequently software is reported at its recoverable amount, as the carrying amount of each asset is reviewed annually by the Capital Review Committee to determine whether it is in excess of its recoverable amount at the end of the reporting period.

Amortisation is calculated on a straight-line basis over periods generally ranging from two to seven years.

#### (ii) Curriculum and course development and validation expenses

Curriculum and course development represents the costs associated with developing the curriculum and teaching materials for a course to be delivered. These have a finite useful life and are carried at cost less accumulated amortisation and impairment losses, if any.

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

#### (iii) Website development

The costs associated in developing, building and enhancing websites designed for external access, to the extent they represent future economic benefits, are controlled and can be reliably measured, have been capitalised and amortised over the period of the expected benefits.

Amortisation is calculated on a straight-line basis to write off the net cost of each asset over its expected useful life of three years.

### (p) Leases

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 12, 15, 19 and 28). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases (note 28). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease commitments are reported inclusive of GST with the input tax recoverable from the Australian Taxation Office.

### (q) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (r) Provisions

The provisions of the group are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## (s) Employee benefits

### (i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the end of the reporting period, are recognised in other payables in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### (ii) Annual leave and long service leave

The recorded liability for provision of annual leave includes annual leave entitlements accrued but not expected to be taken within one year. These entitlements are measured at the present value of expected future payments to be made, including on costs of leave accrued by employees up to the end of the reporting period. The expected future payments of this leave provision is discounted using published market yield of the two-year Treasury Bond at the end of the reporting period of 2.68 per cent (2012: 2.75 per cent).

The provision for long service leave is recognised as a liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to on costs, expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using published market yield of the 10-year Treasury Bond at the end of each reporting period of 4.23 per cent (2012: 3.39 per cent).

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

### (iii) Superannuation

INSEARCH Limited complies with the *Superannuation Guarantee (Administration) Act 1992*.

## (t) Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

## (u) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2013 reporting periods and have not yet been applied in the financial statements. The group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

- (i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards — Mandatory Effective Date of AASB 9 and Transition Disclosures* (effective from 1 January 2015).

*AASB 9 Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the group accounting for its available-for-sale financial assets, since *AASB 9* only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the group had no such gains in other comprehensive income.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from *AASB 139 Financial Instruments: Recognition and Measurement* and have not been changed. The group has not yet decided when to adopt *AASB 9*.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## (v) Comparative information

Comparative data has been reclassified where necessary to enhance comparability in respect of changes in the current year. Where prior year data was not disclosed or where it is not practical to calculate the information, comparative data has been omitted.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 3. FINANCIAL RISK MANAGEMENT

INSEARCH Limited's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operation. INSEARCH Limited does not enter into or trade in financial instruments.

INSEARCH Limited's risks arising from financial instruments are outlined below, together with the entity's objectives and policies for measuring and managing risk.

The INSEARCH Limited Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk limits and controls, and to monitor risks. Compliance with policies is reviewed by the Audit Committee on a continuous basis.

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	51,978	38,366	51,546	37,976
Trade and other receivables — current <sup>1</sup>	3,119	4,839	3,193	4,894
Trade and other receivables — non-current	–	1,125	–	1,125
Other financial assets	37	31	378	313
<b>Total financial assets</b>	<b>55,134</b>	<b>44,361</b>	<b>55,117</b>	<b>44,308</b>
<b>Financial liabilities</b>				
Trade and other payables	232	1,555	222	1,544
Finance lease liability	215	466	215	466
Other financial liabilities <sup>1</sup>	25,517	15,444	25,517	15,443
<b>Total financial liabilities</b>	<b>25,964</b>	<b>17,465</b>	<b>25,954</b>	<b>17,453</b>

1. excluding prepayments and statutory receivables/payables

### (a) Market risk

The primary areas of market risk that INSEARCH Limited is exposed to are interest rate risk and foreign exchange risk.

#### (i) Foreign exchange risk

INSEARCH Limited's tuition fees for services provided in Australia are specified in Australian dollars. Therefore there is little or no exchange rate exposure in relation to fees.

INSEARCH Limited has operations in China, Vietnam and Indonesia which are affected by movements in exchange rates. The impact of these movements can affect both the operating surplus expressed in Australian dollars, and the carrying values of the operations on the statement of financial position of the group.

INSEARCH Limited also has a receivable from the United Kingdom from a sale of business in 2009. The stated balance is now expected to be fully paid in 2014 and is still subject to currency fluctuations until final payment is received.

INSEARCH Limited views these exposures to movements in exchange rates as long term and therefore does not hedge against foreign exchange movements.

The movement in exchange rates in 2013 have contributed to the Australian dollar increase in surplus for INSEARCH Limited.

#### (ii) Interest rate risk

INSEARCH Limited has no borrowings and therefore no associated payable risk as a result of fluctuating interest rates. INSEARCH Limited does have an exposure to changes in income due to fluctuations in interest rates.

Cash investments are maintained for between one to three months in order to respond to more attractive interest bearing deposits. Cash investments are reviewed monthly as part of the management reporting process.

#### (iii) Sensitivity

The following table summarises the sensitivity of the company's financial assets and financial liabilities to interest rate risk and foreign exchange risk.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Carrying amount \$'000	Interest rate risk				Foreign exchange risk			
		+1%		-1%		+10%		-10%	
		Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
<b>Consolidated</b>									
<b>31 December 2013</b>									
<b>Financial assets</b>									
Cash and cash equivalents	51,978	509	–	(509)	–	–	138	–	(138)
Trade and other receivables – current	3,119	1	–	(1)	–	–	133	–	(133)
Other financial assets	37	–	–	–	–	–	–	–	–
<b>Total increase/(decrease) in financial assets</b>	<b>–</b>	<b>510</b>	<b>–</b>	<b>(510)</b>	<b>–</b>	<b>–</b>	<b>271</b>	<b>–</b>	<b>(271)</b>
<b>Financial liabilities</b>									
Trade and other payables	232	–	–	–	–	–	(1)	–	1
Finance lease liability	215	–	–	–	–	–	–	–	–
Other financial liabilities	25,517	–	–	–	–	–	–	–	–
<b>Total increase/(decrease) in financial liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1)</b>	<b>–</b>	<b>1</b>
<b>31 December 2012</b>									
<b>Financial assets</b>									
Cash and cash equivalents	38,366	377	–	(377)	–	–	95	–	(95)
Trade and other receivables – current	4,839	–	–	–	–	–	37	–	(37)
Trade and other receivables – non-current	1,125	–	–	–	–	–	112	–	(112)
Other financial assets	31	–	–	–	–	–	–	–	–
<b>Total increase/(decrease) in financial assets</b>	<b>–</b>	<b>377</b>	<b>–</b>	<b>(377)</b>	<b>–</b>	<b>–</b>	<b>244</b>	<b>–</b>	<b>(244)</b>
<b>Financial liabilities</b>									
Trade and other payables	1,555	–	–	–	–	–	(1)	–	1
Finance lease liability	466	–	–	–	–	–	–	–	–
Other financial liabilities	15,444	–	–	–	–	–	–	–	–
<b>Total increase/(decrease) in financial liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1)</b>	<b>–</b>	<b>1</b>

## (b) Credit risk

Credit risk arises where there is a possibility of the entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the entity. INSEARCH Limited has limited exposure to credit risk due to the collection of the majority of tuition fees prior to the provision of services. The group's position with regard to credit risk is monitored monthly with outstanding items being actively managed.

The non-current portion of receivables relates to a contractual obligation associated with the sale of the operations in the United Kingdom.

Cash and cash equivalents comprise cash on hand and bank balances held with the Commonwealth Bank, ANZ Bank and HSBC. Interest on these accounts is earned on the daily bank balance.

## (c) Liquidity risk

Liquidity risk is the risk that the group will be unable to meet its payment obligations when they fall due.

INSEARCH Limited maintains adequate cash balances to ensure that it has sufficient funds to meet future operating expenditure and capital expenditure.

Liquidity is managed by the group through the preparation and review of monthly statement of cash flows and cash forecasts. Cash at bank is reconciled on a monthly basis and bank balances are independently confirmed as part of the annual audit process.

## (d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of the group's financial instruments is equal to their carrying value.

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>4. REVENUE</b>				
<b>Revenue from continuing operations</b>				
Fees	61,995	50,767	61,995	50,767
Interest	1,519	1,522	1,517	1,521
Other fees and charges	37	51	35	51
Distribution from interest in joint venture partnerships	-	-	-	2,546
<b>Total revenue</b>	<b>63,551</b>	<b>52,340</b>	<b>63,547</b>	<b>54,885</b>
<b>5. OTHER INCOME</b>				
Net loss on sale of non-current assets	(1)	(81)	(1)	(81)
Other	592	297	592	297
<b>Total other income</b>	<b>591</b>	<b>216</b>	<b>591</b>	<b>216</b>
<b>6. EXPENSES</b>				
<b>(a) Expenses from continuing operations</b>				
<b>Employee benefits expenses</b>				
Superannuation	2,064	1,702	2,064	1,702
Salaries and wages	21,596	18,627	21,440	18,507
Payroll tax	1,308	1,172	1,308	1,172
Other	2,425	2,402	2,425	2,402
<b>Total employee benefits expenses</b>	<b>27,393</b>	<b>23,903</b>	<b>27,237</b>	<b>23,783</b>
<b>(b) Depreciation and amortisation</b>				
<b>Depreciation</b>				
Office equipment	87	80	86	80
Furniture and fittings	2,153	2,233	2,126	2,208
Motor vehicles	49	47	49	47
Reimbursement of motor vehicles for salary packaging	(23)	(23)	(23)	(23)
Computer equipment	759	679	754	673
<b>Total depreciation</b>	<b>3,025</b>	<b>3,016</b>	<b>2,992</b>	<b>2,985</b>
<b>Amortisation</b>				
Curriculum	412	-	412	-
Software	1,167	1,110	1,167	1,110
<b>Total amortisation</b>	<b>1,579</b>	<b>1,110</b>	<b>1,579</b>	<b>1,110</b>
<b>Total depreciation and amortisation</b>	<b>4,604</b>	<b>4,126</b>	<b>4,571</b>	<b>4,095</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>(c) Other expenses</b>				
Donation to the University of Technology, Sydney	2,648	1,098	2,648	960
Occupancy	6,537	6,840	6,407	6,728
Security	335	308	335	308
Communications	552	580	522	548
Channel partner commissions	8,457	5,821	8,457	5,821
Homestay and welcome	972	655	972	655
Educational expenses	1,669	1,584	1,669	1,584
Registration and accreditation	129	46	129	46
Scholarships	209	285	209	285
Library fees	853	818	853	818
Promotion	2,087	1,582	2,086	1,562
Overseas travel	792	579	792	579
Local travel	289	248	203	165
Staff appointments	248	244	248	244
Audit and accounting fees	325	406	323	404
Legal fees	176	184	176	184
Consultancy	1,004	427	1,004	427
Subscription and membership	107	232	107	232
Printing and stationery	324	312	316	306
Bad debt receivables and inventory write-off	(10)	62	(10)	62
Loss/(gain) on foreign exchange	(360)	(9)	(344)	21
Impairment losses of investments	-	-	(63)	(18)
Exhibition and interview program	204	230	204	230
Offshore representation expenses	141	110	742	673
Other	2,406	1,993	2,264	1,863
<b>Total other expenses</b>	<b>30,094</b>	<b>24,635</b>	<b>30,249</b>	<b>24,687</b>
<b>7. CURRENT ASSETS — CASH AND CASH EQUIVALENTS</b>				
Cash at bank and in hand	18,408	8,955	17,976	8,565
Deposits at call	4,534	911	4,534	911
Term deposits	29,036	28,500	29,036	28,500
<b>Total cash and cash equivalents</b>	<b>51,978</b>	<b>38,366</b>	<b>51,546</b>	<b>37,976</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>8. CURRENT ASSETS — TRADE AND OTHER RECEIVABLES</b>				
Trade receivables	558	548	558	548
Provision for impairment of receivables (a)	(24)	(41)	(24)	(41)
	534	507	534	507
Prepayments	3,972	2,681	3,967	2,677
Other receivables	2,404	4,152	2,420	4,207
Accrued interest	139	120	139	120
Loan to ELTI	42	60	100	60
<b>Total trade and other receivables</b>	<b>7,091</b>	<b>7,520</b>	<b>7,160</b>	<b>7,571</b>

**(a) Impaired trade and other receivables**

As at 31 December 2013, current trade receivables of the group with a nominal value of \$23,608 were impaired and they relate to individually impaired receivables for student tuition fees which were deemed potentially uncollectable. The remaining balance \$23,608 was deemed adequate to cover impaired receivables for 2013.

Movements in the provision for impairment of receivables are as follows:

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
At 1 January	41	201	41	41
Receivables written-off during the year as uncollectible	–	(160)	–	–
Unused amounts reversed	(17)	–	(17)	–
At 31 December	24	41	24	41

The creation and release of the provision for impaired receivables has been included in other expenses in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

**(b) Past due but not impaired**

As of 31 December 2013, the group trade and other receivables of \$533,111 (2012: \$333,167) and the parent trade and other receivables of \$533,111 (2012: \$333,167) were past due but not impaired. The ageing analysis of the receivables is as follows:

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
> up to 3 months	525	252	525	252
> 3 to 6 months	8	74	8	74
> over 6 months	–	7	–	7
	533	333	533	333

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>9. CURRENT ASSETS — INVENTORIES</b>				
Finished goods				
> at cost	–	1	–	1
<b>Total inventories</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>1</b>
<b>10. NON-CURRENT ASSETS — RECEIVABLES</b>				
Other receivables	–	1,125	–	1,125
<b>Total other receivables</b>	<b>–</b>	<b>1,125</b>	<b>–</b>	<b>1,125</b>
<b>11. NON-CURRENT ASSETS — INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>				
Interest in joint venture partnership (note 25)	1,517	569	–	–
<b>Total investments accounted for using the equity method</b>	<b>1,517</b>	<b>569</b>	<b>–</b>	<b>–</b>

**(a) Australia Centres for Education and Training (ACETs)**

This is a joint venture between INSEARCH Limited and IDP Education Australia (Vietnam) Limited to deliver general English classes in Vietnam. INSEARCH Limited has a 50 per cent ownership interest in the ACETs and is entitled to a 40 per cent share of its retained earnings.

**(b) Lembaga ELTI Gramedia (ELTI)**

In 2012, the company entered into a joint venture with Lembaga ELTI Gramedia Limited to deliver general English programs in Indonesia. This investment represents a 50 per cent share in the net profit of the joint venture.

The company's initial investment in ELTI was in the form of loan amounting to \$100,000, therefore initially recognised its investments accounted for using the equity method at nil. If the joint venture makes losses, the share of losses will be recognised against the equity investment until it is reduced to nil and then recognised against the loan balance until it is reduced to nil. The company will continue to recognise losses, and recognise a corresponding liability, after both the equity investment and loan balance have been reduced to nil, because it has an obligation to fund further losses of the joint venture. As at 31 December 2013, the joint venture incurred a \$58,000 loss and was applied against the loan balance.



## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>12. NON-CURRENT ASSETS— PROPERTY, PLANT AND EQUIPMENT</b>						
<b>Consolidated entity</b>						
<b>At 1 January 2012</b>						
Cost	958	198	14,974	3,540	2,709	22,379
Accumulated depreciation	(769)	(51)	(5,882)	(2,328)	–	(9,030)
<b>Net book amount</b>	<b>189</b>	<b>147</b>	<b>9,092</b>	<b>1,212</b>	<b>2,709</b>	<b>13,349</b>
<b>Year ended 31 December 2012</b>						
Opening net book amount	189	147	9,092	1,212	2,709	13,349
Additions	71	–	1,217	937	–	2,225
Disposals	(42)	–	(12)	(19)	–	(73)
Transfer to intangible assets	–	–	–	–	(2,709)	(2,709)
Depreciation charge	(80)	(47)	(2,233)	(679)	–	(3,039)
<b>Closing net book amount</b>	<b>138</b>	<b>100</b>	<b>8,064</b>	<b>1,451</b>	<b>–</b>	<b>9,753</b>
<b>At 31 December 2012</b>						
Cost	450	198	13,305	3,609	–	17,562
Accumulated depreciation	(312)	(98)	(5,241)	(2,158)	–	(7,809)
<b>Net book amount</b>	<b>138</b>	<b>100</b>	<b>8,064</b>	<b>1,451</b>	<b>–</b>	<b>9,753</b>
<b>Year ended 31 December 2013</b>						
Opening net book amount	138	100	8,064	1,451	–	9,753
Exchange differences	–	–	6	2	–	8
Additions	204	61	210	838	49	1,362
Transfers to intangible assets	–	–	–	–	–	–
Disposals	(3)	–	–	–	–	(3)
Depreciation charge	(87)	(49)	(2,153)	(759)	–	(3,048)
<b>Closing net book amount</b>	<b>252</b>	<b>112</b>	<b>6,127</b>	<b>1,532</b>	<b>49</b>	<b>8,072</b>
<b>At 31 December 2013</b>						
Cost	618	259	13,476	4,101	49	18,503
Accumulated depreciation	(366)	(147)	(7,349)	(2,569)	–	(10,431)
<b>Net book amount</b>	<b>252</b>	<b>112</b>	<b>6,127</b>	<b>1,532</b>	<b>49</b>	<b>8,072</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent entity</b>						
<b>At 1 January 2012</b>						
Cost	953	198	14,879	3,516	2,709	22,255
Accumulated depreciation	(768)	(51)	(5,859)	(2,324)	-	(9,002)
<b>Net book amount</b>	<b>185</b>	<b>147</b>	<b>9,020</b>	<b>1,192</b>	<b>2,709</b>	<b>13,253</b>
<b>Year ended 31 December 2012</b>						
Opening net book amount	185	147	9,020	1,192	2,709	13,253
Additions	72	-	1,217	937	-	2,226
Disposals	(42)	-	(12)	(19)	-	(73)
Transfer to intangible assets	-	-	-	-	(2,709)	(2,709)
Depreciation charge	(80)	(47)	(2,208)	(673)	-	(3,008)
<b>Closing net book amount</b>	<b>135</b>	<b>100</b>	<b>8,017</b>	<b>1,437</b>	<b>-</b>	<b>9,689</b>
<b>At 31 December 2012</b>						
Cost	445	198	13,211	3,585	-	17,439
Accumulated depreciation	(310)	(98)	(5,194)	(2,148)	-	(7,750)
<b>Net book amount</b>	<b>135</b>	<b>100</b>	<b>8,017</b>	<b>1,437</b>	<b>-</b>	<b>9,689</b>
<b>Year ended 31 December 2013</b>						
Opening net book amount	135	100	8,017	1,437	-	9,689
Additions	203	61	211	838	49	1,362
Disposals	(3)	-	-	-	-	(3)
Transfers to intangible assets	-	-	-	-	-	-
Depreciation charge	(86)	(49)	(2,126)	(754)	-	(3,015)
<b>Closing net book amount</b>	<b>249</b>	<b>112</b>	<b>6,102</b>	<b>1,521</b>	<b>49</b>	<b>8,033</b>
<b>At 31 December 2013</b>						
Cost	612	259	13,364	4,072	49	18,356
Accumulated depreciation	(363)	(147)	(7,262)	(2,551)	-	(10,323)
<b>Net book amount</b>	<b>249</b>	<b>112</b>	<b>6,102</b>	<b>1,521</b>	<b>49</b>	<b>8,033</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Curriculum	Computer software	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000
<b>13. NON-CURRENT ASSETS — INTANGIBLE ASSETS</b>				
<b>Consolidated entity</b>				
<b>At 1 January 2012</b>				
Cost	–	6,805	–	6,805
Accumulated amortisation and impairment	–	(4,852)	–	(4,852)
<b>Net book amount</b>	<b>–</b>	<b>1,953</b>	<b>–</b>	<b>1,953</b>
<b>Year ended 31 December 2012</b>				
Opening net book amount	–	1,953	–	1,953
Additions	–	788	625	1,413
Disposals	–	(9)	–	(9)
Transfers from plant and equipment	–	–	2,709	2,709
Amortisation charge	–	(1,110)	–	(1,110)
<b>Closing net book amount</b>	<b>–</b>	<b>1,622</b>	<b>3,334</b>	<b>4,956</b>
<b>At 31 December 2012</b>				
Cost	–	7,139	3,334	10,473
Accumulated amortisation and impairment	–	(5,517)	–	(5,517)
<b>Net book amount</b>	<b>–</b>	<b>1,622</b>	<b>3,334</b>	<b>4,956</b>
<b>Year ended 31 December 2013</b>				
Opening net book amount	–	1,622	3,334	4,956
Additions/transfers	2,459	1,094	–	3,553
Disposals/transfers	–	–	(3,070)	(3,070)
Amortisation charge	(412)	(1,167)	–	(1,579)
<b>Closing net book amount</b>	<b>2,047</b>	<b>1,549</b>	<b>264</b>	<b>3,860</b>
<b>At 31 December 2013</b>				
Cost	2,459	8,233	264	10,956
Accumulated amortisation and impairment	(412)	(6,684)	–	(7,096)
<b>Net book amount</b>	<b>2,047</b>	<b>1,549</b>	<b>264</b>	<b>3,860</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Curriculum	Computer software	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000
<b>Parent entity</b>				
<b>At 1 January 2012</b>				
Cost	-	6,805	264	7,069
Accumulated amortisation and impairment	-	(4,852)	-	(4,852)
<b>Net book amount</b>	<b>-</b>	<b>1,953</b>	<b>264</b>	<b>2,217</b>
<b>Year ended 31 December 2012</b>				
Opening net book amount	-	1,953	-	1,953
Additions	-	788	625	1,413
Disposals	-	(9)	-	(9)
Transfers from plant and equipment	-	-	2,709	2,709
Amortisation charge	-	(1,110)	-	(1,110)
<b>Closing net book amount</b>	<b>-</b>	<b>1,622</b>	<b>3,334</b>	<b>4,956</b>
<b>At 31 December 2012</b>				
Cost	-	7,139	3,334	10,473
Accumulated amortisation and impairment	-	(5,517)	-	(5,517)
<b>Net book amount</b>	<b>-</b>	<b>1,622</b>	<b>3,334</b>	<b>4,956</b>
<b>Year ended 31 December 2013</b>				
Opening net book amount	-	1,622	3,334	4,956
Additions/transfers	2,459	1,094	-	3,553
Disposals/transfers	-	-	(3,070)	(3,070)
Amortisation charge	(412)	(1,167)	-	(1,579)
<b>Closing net book amount</b>	<b>2,047</b>	<b>1,549</b>	<b>264</b>	<b>3,860</b>
<b>At 31 December 2013</b>				
Cost	2,459	8,233	264	10,956
Accumulated amortisation	(412)	(6,684)	-	(7,096)
<b>Net book amount</b>	<b>2,047</b>	<b>1,549</b>	<b>264</b>	<b>3,860</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>14. NON-CURRENT ASSETS — OTHER NON-CURRENT ASSETS</b>				
Other	37	31	–	–
Interest in joint venture partnerships	–	–	81	81
INSEARCH (Shanghai) Limited	–	–	297	232
<b>Total other non-current assets</b>	<b>37</b>	<b>31</b>	<b>378</b>	<b>313</b>
<b>15. CURRENT LIABILITIES — FINANCE LEASE LIABILITY</b>				
<b>Secured</b>				
Lease liabilities (note 28)	177	305	177	305
<b>Total current finance lease liability</b>	<b>177</b>	<b>305</b>	<b>177</b>	<b>305</b>
<b>16. CURRENT LIABILITIES — TRADE AND OTHER PAYABLES</b>				
Trade and other payables	84	1,081	82	1,079
University of Technology, Sydney	61	223	61	223
Other creditors	87	251	79	242
<b>Total trade and other payables</b>	<b>232</b>	<b>1,555</b>	<b>222</b>	<b>1,544</b>
<b>17. CURRENT LIABILITIES — PROVISIONS</b>				
Employee benefits — annual leave (a)	1,312	1,147	1,312	1,147
Employee benefits — long service leave (a)	901	860	901	860
Lease incentives	20	20	20	20
<b>Total current provisions</b>	<b>2,233</b>	<b>2,027</b>	<b>2,233</b>	<b>2,027</b>
<b>(a) Amounts not expected to be settled within 12 months</b>				
Annual leave obligations expected to be settled after 12 months	274	285	274	285
Long service leave obligations expected to be settled after 12 months	825	775	825	775
<b>18. CURRENT LIABILITIES — OTHER CURRENT LIABILITIES</b>				
Student fees received in advance	549	2,131	552	2,131
Accrued expenses	4,653	3,028	4,653	3,028
Prepaid course fees	18,517	11,349	18,517	11,349
Others	2,347	1,067	2,347	1,066
<b>Total other current liabilities</b>	<b>26,066</b>	<b>17,575</b>	<b>26,069</b>	<b>17,574</b>
<b>19. NON-CURRENT LIABILITIES — FINANCE LEASE LIABILITY</b>				
<b>Secured</b>				
Lease liabilities (note 28)	38	161	38	161
<b>Total non-current finance lease liability</b>	<b>38</b>	<b>161</b>	<b>38</b>	<b>161</b>

The group lease computer equipment with a carrying amount of \$197,374 (2012: \$493,977) under finance leases expiring within three years. Under the terms of the leases, the group has the option to acquire the leased assets on expiry of the leases by paying the difference amount between the value of the goods financed under the relevant lease schedule and the present value of the lease instalments.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>20. NON-CURRENT LIABILITIES — PROVISIONS</b>				
Employee benefits — long service leave	704	638	704	638
Make good	1,073	1,071	1,073	1,071
Lease incentives	25	46	25	46
<b>Total non-current provisions</b>	<b>1,802</b>	<b>1,755</b>	<b>1,802</b>	<b>1,755</b>

## (a) Make good provision

The provision for make good in relation to fixtures installed at leased office space is required to be provided for under AASB 116 *Property, Plant and Equipment*. The make good obligations are expected to be settled within the next four to six financial years.

## (b) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Make good \$'000
<b>Consolidated entity — 2013</b>	
<b>Current and non-current</b>	
Carrying amount at start of year	1,071
Charged/(credited) to the profit or loss	2
Make good expenses charged against provision	–
<b>Carrying amount at end of year</b>	<b>1,073</b>
<b>Parent entity — 2013</b>	
<b>Current and non-current</b>	
Carrying amount at start of year	1,071
Charged/(credited) to the profit or loss	2
Make good expenses charged against provision	–
<b>Carrying amount at end of year</b>	<b>1,073</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>21. RESERVES AND RETAINED SURPLUS</b>				
<b>(a) Reserves</b>				
Foreign currency translation reserve	(1,224)	(1,401)	-	-
<b>Movements</b>				
Foreign currency translation reserve				
Opening balance	(1,401)	(1,275)	-	-
Currency translation differences arising during the year	177	(126)	-	-
<b>Balance 31 December</b>	<b>(1,224)</b>	<b>(1,401)</b>	<b>-</b>	<b>-</b>
<b>(b) Retained surplus</b>				
Movements in retained surplus were as follows:				
Balance 1 January	40,344	39,246	38,265	35,611
Surplus for the year	2,887	1,098	2,171	2,654
<b>Balance 31 December</b>	<b>43,231</b>	<b>40,344</b>	<b>40,436</b>	<b>38,265</b>

**22. KEY MANAGEMENT PERSONNEL DISCLOSURES****(a) Directors**

The following persons were directors of INSEARCH Limited during the financial year:

**(i) Non-executive chairperson**

M Williams

**(ii) Executive director**

A Murphy

**(iii) Non-executive directors**

D Hill

J Hutchison, AM

P Woods

W Purcell

B Milthorpe

P Bennett

**(b) Other key management personnel**

RD Milbourne

**(c) Key management personnel compensation**

	Consolidated entity		Parent entity	
	2013 \$	2012 \$	2013 \$	2012 \$
Short-term employee benefits	606,436	537,475	606,436	537,475
Post-employment benefits	84,222	36,110	84,222	36,110
	<b>690,658</b>	<b>573,585</b>	<b>690,658</b>	<b>573,585</b>

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 23. RELATED PARTY TRANSACTIONS

### (a) Parent entities

The parent entity in the wholly owned group is INSEARCH Limited. The controlling entity of INSEARCH Limited is the University of Technology, Sydney.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 24.

### (c) Transactions with related parties

The following transactions occurred with related parties:

- > donation to the University of Technology, Sydney \$2,648,000 (2012: \$1,097,500)
- > sales of services and fees to the University of Technology, Sydney \$2,616,052 (2012: \$4,193,423)
- > services rendered by the University of Technology, Sydney to INSEARCH Limited \$3,294,009 (2012: \$3,288,131)
- > consulting service income between INSEARCH (Shanghai) Limited and INSEARCH Limited \$601,141 (2012: \$563,494)
- > consulting service expense between INSEARCH Limited and INSEARCH (Shanghai) Limited \$601,141 (2012: \$563,494).

### (d) Outstanding balances arising from sales/purchases of goods and services

Aggregate amounts receivable from and payable to each class of related parties at balance date are set out below:

	Consolidated entity		Parent entity	
	2013 \$	2012 \$	2013 \$	2012 \$
Current receivables (sales of goods and services)				
> INSEARCH (Shanghai) Limited	–	–	46,122	95,291

## 24. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 2(b).

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2013 %	2012 %
INSEARCH (Shanghai) Limited	China	Ordinary	100	100
INSEARCH Education	United Kingdom	Ordinary	100	100
INSEARCH Education International Pty Limited	Australia	Ordinary	100	100



# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 25. INTERESTS IN JOINT VENTURES

### Joint venture partnership

The company has joint ventures in Vietnam and Indonesia, for which investments are accounted for using the equity method per AASB131 *Interests in Joint Ventures*.

Australia Centres for Education and Training (ACETs) is a joint venture between INSEARCH Limited and IDP Education Australia (Vietnam) Limited to deliver general English classes in Vietnam. INSEARCH Limited has a 50 per cent ownership interest in the ACETs and is entitled to a 40 per cent share of its retained earnings.

Lembaga ELTI Gramedia (ELTI) is a joint venture between INSEARCH Limited and Lembaga ELTI Gramedia Limited to deliver general English programs in Indonesia. INSEARCH Limited has a 50 per cent ownership interest in the ELTI and is entitled to a 50 per cent share of its retained earnings.

	Consolidated entity	
	2013 \$'000	2012 \$'000
Carrying amount of investment in partnership	1,517	569
<b>Share of partnership's assets and liabilities</b>		
Current assets	1,503	1,059
Non-current assets	134	88
<b>Total assets</b>	<b>1,637</b>	<b>1,147</b>
Current liabilities	120	578
Non-current liabilities	–	–
<b>Total liabilities</b>	<b>120</b>	<b>578</b>
<b>Net assets<sup>1</sup></b>	<b>1,517</b>	<b>569</b>
<b>Share of partnership's revenue, expenses and results</b>		
Revenues	3,246	3,288
Expenses	(2,500)	(2,193)
<b>Net profit</b>	<b>746</b>	<b>1,095</b>

1. ELTI share of net assets is \$nil during the year as the share of loss amounting to \$58,000 is offset against the joint venture's loan balance (see note 11(b)).

## 26. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated entity		Parent entity	
	2013 \$	2012 \$	2013 \$	2012 \$
<b>The Audit Office of New South Wales</b>				
Audit and other assurance services				
Audit and review of financial reports	168,500	168,401	168,500	168,401
<b>Total auditors' remuneration</b>	<b>168,500</b>	<b>168,401</b>	<b>168,500</b>	<b>168,401</b>

## 27. CONTINGENCIES

### Contingent liabilities

INSEARCH Limited has in place bank guarantees with a financial institution with a face value of \$1,159,926 (2012: \$879,553) in respect of the leasing of premises in the Sydney CBD.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>28. COMMITMENTS</b>				
<b>(a) Capital commitments</b>				
Commitments for the acquisition of plant and equipment contracted for at the end of the reporting period but not recognised as liabilities payable with the input tax recoverable from the Australian Taxation Office.				
Property, plant and equipment	301	-	301	-
Input tax recoverable from the Australian Taxation Office	27	-	27	-
<b>(b) Lease commitments</b>				
<b>(i) Non-cancellable operating leases</b>				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable with the input tax recoverable from the Australian Taxation Office:				
> within one year	5,557	5,404	5,476	5,288
> later than one year but not later than five years	11,125	16,211	11,125	16,143
	16,682	21,615	16,601	21,431
Input tax recoverable from the Australian Taxation Office	1,509	1,948	1,509	1,948
<b>(ii) Finance leases</b>				
Commitments in relation to finance leases are payable as follows:				
> within one year	204	368	204	368
> later than one year but not later than five years	44	185	44	185
Minimum lease payments	248	553	248	553
Future finance charges	(11)	(40)	(11)	(40)
Present value of minimum lease payments inclusive of GST	237	513	237	513
Input tax recoverable from the Australian Taxation Office	22	47	22	47
<b>(c) Other expenditure commitments</b>				
Commitments for trade creditors contracted for at the end of the reporting period but not recognised as liabilities payable with the input tax recoverable from the Australian Taxation Office				
> within one year	1,194	401	1,194	401
> later than one year but not later than five years	34	181	34	181
	1,228	582	1,228	582
Input tax recoverable from the Australian Taxation Office	98	53	98	53
<b>(d) Remuneration commitments</b>				
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the end of each reporting period but not recognised as liabilities payable:				
> within one year	1,424	536	1,424	536
> later than one year but not later than five years	126	41	126	41
	1,550	577	1,550	577

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 29. MEMBERS' GUARANTEE

INSEARCH Limited is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, its constitution states that each member is required to contribute a maximum of \$20 towards meeting its outstanding obligations. At reporting date, there were nine members of the entity.

## 30. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group in subsequent financial years.

	Consolidated entity		Parent entity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>31. RECONCILIATION OF SURPLUS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Surplus for the year	2,887	1,098	2,171	2,654
Depreciation and amortisation	4,627	4,149	4,594	4,118
Non-cash movement in finance lease liability	131	(68)	131	(68)
Net loss on sale of non-current assets	1	81	1	81
Foreign currency exchange difference	2	-	2	-
Share of loss of associates and joint venture partnership	60	-	-	-
Share of profit of associates and joint venture partnership	(806)	1,450	-	-
<b>Change in operating assets and liabilities</b>				
> Decrease/(increase) in trade and other receivables	1,494	(2,481)	1,530	(2,555)
> Decrease in inventories	1	92	1	92
> (Increase)/decrease in other non-current assets	(6)	102	(65)	80
> (Decrease)/increase in trade and other payables	(1,323)	438	(1,322)	439
> Increase/(decrease) in provisions	253	(331)	253	(329)
> Increase in other liabilities	8,491	3,886	8,493	3,887
<b>Net cash inflow from operating activities</b>	<b>15,812</b>	<b>8,416</b>	<b>15,789</b>	<b>8,399</b>

END OF AUDITED FINANCIAL STATEMENTS

# accessUTS Pty Limited

Directors' report	108
Directors' declaration	109
Independent auditor's report	110
Auditor's independence declaration	112
Statement of comprehensive income	113
Statement of financial position	114
Statement of changes in equity	115
Statement of cash flows	115
Notes to the financial statements	116
1. Reporting entity	116
2. Summary of significant accounting policies	116
3. Segment information	117
4. Expenses excluding losses	117
5. Revenue	118
6. Income tax expense	118
7. Cash and cash equivalents	118
8. Receivables	118
9. Payables	119
10. Provisions	119
11. Other current liabilities	119
12. Contributed equity	119
13. Accumulated losses	119
14. Reconciliation of operating profit for the year with cash flows from operating activities	120
15. Auditors' remuneration	120
16. Directors' remuneration	120
17. Contingent assets and contingent liabilities	120
18. Significant events after the balance date	120
19. Economic dependency	120
20. Related party transactions	121
21. Financial risk and management objectives and policies	121

# Directors' report

Your directors submit their report for the year ended 31 December 2013.

## Directors

The names of the directors of the company from the beginning of the financial year until the date of this report were:

Blair Peter McRae	
Jane Morrison	resigned 30 June 2013
Jeffrey John Francis	
Theodoor Jacob Van Leeuwen	resigned 30 June 2013
Paul Jonson	
Dianne Norma Hill	appointed 01 July 2013
John Daly	appointed 01 July 2013

All directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

## Principal activities

The principal activity of the company during the financial year was developing and managing the consulting activities of the University of Technology, Sydney.

There has been no significant change in the nature of this activity during the year.

## Operating result

The income after income tax for the year ended 31 December 2013 was \$70,724 (2012 profit of \$37,602).

## Review of operations

The operations of the company and the results of those operations were satisfactory.

## Dividends

The company did not pay a dividend during the year and the directors have recommended that no dividend be paid in respect of the 2013 year.

## Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the company during the year.

## Significant events after the balance date

There have been no significant events after the balance date that would materially affect the results presented at year end.

## Environmental regulation

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the company.

## Likely developments

It is not foreseen that the company will undertake any change in its general direction during the coming financial year. The company will continue to pursue its financial trading activities as detailed earlier in the report to produce the most beneficial result for the members.

## Indemnification and insurance of officers and auditors

### Indemnification

Since the end of the previous financial year, the company has not indemnified or made a relevant agreement for indemnifying against a liability of any person who is or has been an officer or auditor of the company.

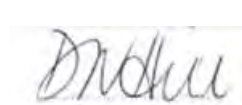
### Insurance premiums

During the year, no premiums were paid to insure the directors against liability.

## Auditor's independence declaration

The auditor's independence declaration for the year to 31 December 2013 has been received and can be found on page 112.

Signed in accordance with a resolution of the directors:



Dianne Hill  
Director



Blair McRae  
Director

Sydney, 8 April 2014

## Directors' declaration

In accordance with a resolution of the directors of accessUTS Pty Limited, we state that:

1. In the opinion of the directors:
  - (a) the financial statements present a true and fair view of the company's financial position as at 31 December 2013 and of the company's performance for the year ended on that date, and
  - (b) the financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010, and
  - (c) the financial statements comply with Australian Accounting Standards and other mandatory professional reporting requirements, including Australian Accounting Interpretations, and
  - (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and
2. We are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the board:



Dianne Hill  
Director



Blair McRae  
Director

Sydney, 8 April 2014

# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

accessUTS Pty Limited

To Members of the New South Wales Parliament and Members of accessUTS Pty Limited

I have audited the accompanying financial statements of accessUTS Pty Limited (the Company), which comprise the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2013 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section Section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

## Independent auditor's report

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does not provide assurance:

- about the future viability of the Company
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Caroline Karakatsanis  
Director, Financial Audit Services

8 April 2014  
SYDNEY



## Auditor's independence declaration



To the Directors  
accessUTS Pty Limited

### **Auditor's Independence Declaration**

As auditor for the audit of the financial statements of accessUTS Pty Limited for the year ended 31 December 2013, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "C. Karakatsanis".

Caroline Karakatsanis  
Director, Financial Audit Services

8 April 2014  
SYDNEY

# Statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
<b>Expenses from continuing operations excluding losses</b>			
Employee related expenses	4(a)	2,395,578	2,426,537
Other operating expenses	4(b)	2,434,303	3,399,788
<b>Total expenses excluding losses</b>		<b>4,829,881</b>	<b>5,826,325</b>
<b>Revenue from continuing operations</b>			
Revenue from services	5(a)	4,868,723	5,825,091
Investment revenue	5(b)	19,303	54,601
Gain (loss) on foreign exchange	5(c)	12,579	(15,765)
<b>Total revenue</b>		<b>4,900,605</b>	<b>5,863,927</b>
Operating result before income tax		70,724	37,602
Income tax expense	6	-	-
<b>Operating result from continuing operations</b>		<b>70,724</b>	<b>37,602</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>70,724</b>	<b>37,602</b>
Total comprehensive income/(loss) for the year is attributable to: > owners of the parent		<b>70,724</b>	<b>37,602</b>

The accompanying notes form part of these financial statements.

## Statement of financial position

AS AT 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	2,210,199	3,862,563
Receivables	8	2,702,870	747,020
<b>Total current assets</b>		<b>4,913,069</b>	<b>4,609,583</b>
<b>Total assets</b>		<b>4,913,069</b>	<b>4,609,583</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	9	1,560,973	2,468,205
Provisions	10	–	21,199
Other	11	3,016,062	1,854,870
<b>Total current liabilities</b>		<b>4,577,035</b>	<b>4,344,274</b>
<b>Total liabilities</b>		<b>4,577,035</b>	<b>4,344,274</b>
<b>Net assets</b>		<b>336,034</b>	<b>265,309</b>
<b>Equity</b>			
Contributed equity	12	450,001	450,001
Accumulated losses	13	(113,967)	(184,692)
<b>Total equity</b>		<b>336,034</b>	<b>265,309</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2013

	Share capital \$	Accumulated losses \$	Total \$
<b>Balance at 1 January 2012</b>	450,001	(222,294)	227,707
Net result for the year	–	37,602	37,602
<b>Total comprehensive income</b>	–	37,602	37,602
<b>Balance at 31 December 2012</b>	<b>450,001</b>	<b>(184,692)</b>	<b>265,309</b>
<b>Balance at 1 January 2013</b>	450,001	(184,692)	265,309
Net result for the year	–	70,724	70,724
<b>Total comprehensive income</b>	–	70,724	70,724
<b>Balance at 31 December 2013</b>	<b>450,001</b>	<b>(113,967)</b>	<b>336,034</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Employee related		2,634,421	2,668,584
Other		3,111,432	3,037,885
<b>Total payments</b>		<b>5,745,853</b>	<b>5,706,469</b>
<b>Receipts</b>			
Sale of goods and services		4,024,074	5,962,532
Interest received		19,303	54,601
Other		50,112	–
<b>Total receipts</b>		<b>4,093,489</b>	<b>6,017,133</b>
<b>Net cash flows from operating activities</b>	14	<b>(1,652,364)</b>	<b>310,665</b>
<b>Net increase/(decrease) in cash</b>		(1,652,364)	310,665
Opening cash and cash equivalents		3,862,563	3,551,898
<b>Closing cash and cash equivalents</b>	7	<b>2,210,199</b>	<b>3,862,563</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 1. REPORTING ENTITY

accessUTS Pty Limited is a company limited by shares and is incorporated and domiciled in Australia and is a wholly owned subsidiary of the University of Technology, Sydney. The registered office of accessUTS Pty Limited is Level 14, Building 1, 1–9 Broadway Ultimo NSW 2007.

These financial statements for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 8 April 2014.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

These general purpose financial statements have been prepared on an accruals basis, in accordance with applicable accounting standards and other mandatory professional reporting requirements (including Australian Accounting Interpretations), the requirements of the *Corporations Act 2001*, the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010.

These financial statements have been prepared on an historical cost basis and are presented in Australian dollars. The accounting policies set out below have been consistently applied to all years presented unless otherwise stated.

### (b) Statement of compliance

These financial statements comply with Australian Accounting Standards, including Australian Accounting Interpretations.

### (c) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained from both external and internal sources.

### (d) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

### (e) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except:

- (i) the net amount of GST recoverable from or payable to the taxation authority is included within payables or receivables in the balance sheet
- (ii) where the amount of GST is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- (iii) cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### Fee revenue

Service fee revenue represents revenue from services provided by the entity and is recognised when the services are provided.

#### Training course revenue

Training course revenue represents revenue from courses delivered in the period and is recognised when the courses are scheduled to run.

#### Investment income

Interest income is recognised as it accrues.

#### Asset sales

The net proceeds from the sale of assets is included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale occurs.

#### Other revenue

Other revenue is brought to account when it becomes due and receivable.

### (g) Income tax

Income taxes are accounted for using the comprehensive balance sheet liability method whereby:

- > the tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements
- > current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination
- > a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset
- > deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## (h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes deposits at call that are readily convertible to cash on hand and that are used in the cash management function on a day-to-day basis, net of any outstanding bank overdrafts.

## (i) Investments

Investments are valued either at cost less amounts written off for permanent diminution in the value of the investments, or at directors' valuation. Dividends and interest are brought to account when received.

## (j) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity. These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis.

## (k) Employee benefits and other provisions

### Salaries and wages, annual leave, sick leave and on costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

## (l) Loans and borrowings

All loans are measured at the principal amount.

## (m) New and revised Australian Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2013 reporting period. accessUTS Pty Limited has not exercised the right to early adopt any new or revised accounting standard.

## (n) Translation of foreign currency transactions

On initial recognition in Australian currency, transactions in foreign currencies are recorded by applying to the rate of exchange as at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially translated during the period, or in the previous financial statements, are recognised in profit or loss in the period in which they arise.

At each balance date, foreign currency monetary items are reported using the closing rate on the balance date.

## 3. SEGMENT INFORMATION

The company operates predominantly in one industry — consulting services, and in one geographical area — Australia.

	2013 \$	2012 \$
<b>4. EXPENSES EXCLUDING LOSSES</b>		
<b>(a) Employee-related expenses</b>		
Directors fees	7,150	6,064
Contractors	2,388,428	2,420,473
	<b>2,395,578</b>	<b>2,426,537</b>
<b>(b) Other operating expenses</b>		
Auditor's remuneration		
> audit of the financial statements	20,900	15,000
Consulting fees	1,724,615	2,353,708
Service level agreement — Commercial Services Unit	623,846	945,151
General and administrative expenses	64,942	85,929
	<b>2,434,303</b>	<b>3,399,788</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
<b>5. REVENUE</b>		
<b>(a) Revenue from services</b>		
Consulting fees	4,249,977	4,918,080
Training courses	618,746	297,011
Short course administration	–	610,000
	<b>4,868,723</b>	<b>5,825,091</b>
<b>(b) Investment revenue</b>		
Interest received or receivable	19,303	54,601
	<b>19,303</b>	<b>54,601</b>
<b>(c) Gain (loss) on foreign exchange</b>		
Foreign exchange gains/(losses)	12,579	(15,765)
	<b>12,579</b>	<b>(15,765)</b>
<b>6. INCOME TAX EXPENSE</b>		
The income tax expense provided in the accounts is calculated as follows:		
> tax on operating profit/(loss) at 30%	21,217	11,281
<b>Add/(less)</b>		
> current year temporary difference not brought to account	(15,238)	34,704
> tax losses not previously tax effected — recouped this year	(5,979)	(45,985)
Income tax expense	–	–
Deferred tax assets/(liabilities) have not been recognised in the statement of financial position in respect of:		
> deductible temporary differences	42,992	92,382
> unused tax losses	132,671	152,601
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash at bank	1,814,584	3,477,618
Cash on deposit	395,615	384,945
	<b>2,210,199</b>	<b>3,862,563</b>
<b>8. RECEIVABLES</b>		
<b>Current</b>		
Trade and other receivables	2,632,814	463,604
Allowance for doubtful accounts	(9,092)	(25,728)
Receivable from parent entity (unsecured)	79,148	155,497
GST receivable	–	103,535
Income tax receivable	–	50,112
	<b>2,702,870</b>	<b>747,020</b>

## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
<b>9. PAYABLES</b>		
<b>Current</b>		
Trade creditors	31,381	88,657
GST payable	28,889	-
Accrued expenses	120,116	858,896
Amounts payable to parent entity	1,345,587	1,485,652
Loan from parent entity (unsecured)	35,000	35,000
	<b>1,560,973</b>	<b>2,468,205</b>
<b>Loan from parent entity</b>		
The loan from the parent entity is unsecured, interest-free and repayable on demand.		
<b>10. PROVISIONS</b>		
<b>Current</b>		
Provision for annual leave	-	21,199
	<b>-</b>	<b>21,199</b>
<b>11. OTHER CURRENT LIABILITIES</b>		
<b>Current</b>		
Income received in advance	3,016,062	1,854,870
	<b>3,016,062</b>	<b>1,854,870</b>
<b>12. CONTRIBUTED EQUITY</b>		
<b>Issued and paid up capital</b>		
Ordinary shares fully paid	450,001	450,001
<b>Movements in shares on issue</b>		
Issued capital at the beginning of the year	450,001	450,001
Capital issued during the year	-	-
<b>Issued capital at the end of the year</b>	<b>450,001</b>	<b>450,001</b>
<b>13. ACCUMULATED LOSSES</b>		
Accumulated losses at the beginning of the year	(184,691)	(222,294)
Net profit/(loss) attributable to the member	70,724	37,602
<b>Accumulated losses at the end of the year</b>	<b>(113,967)</b>	<b>(184,692)</b>



## Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
<b>14. RECONCILIATION OF OPERATING PROFIT FOR THE YEAR WITH CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating profit/(loss) after income tax	70,724	37,602
<b>Non-cash items</b>		
Annual leave	(21,199)	21,199
Provision for doubtful debts	9,092	(14,272)
<b>Changes in operating assets and liabilities</b>		
Decrease/(increase) in trade and other receivables	(1,898,551)	75,869
Increase/(decrease) in trade payables	(973,622)	147,966
Decrease/(increase) in income in advance	1,161,192	42,301
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(1,652,364)</b>	<b>310,665</b>
<b>15. AUDITORS' REMUNERATION</b>		
Amounts received or due and receivable by the auditors of accessUTS Pty Limited for:		
> an audit of the financial statements	20,900	15,000

**16. DIRECTORS' REMUNERATION****Directors**

The names of persons holding the position of director of the company at any time during the financial year are set out on page 108 of these financial statements.

**Remuneration of specified directors**

Directors' remuneration paid by the company is set out below. All other remuneration and retirement benefits for directors of the company have been paid by the parent entity.

	Salary and fees \$	Superannuation \$	Cash bonus \$	Non-cash benefits \$	Other \$	Total \$
<b>2013</b>						
Jane Morrison	3,150	-	-	-	-	3,150
Dianne Norma Hill	4,000					4,000
<b>2012</b>						
Jane Morrison	6,064	-	-	-	-	6,064

**17. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The directors are not aware of any contingent assets or contingent liabilities that have not been disclosed in the financial statements.

**18. SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

There have been no significant events after the balance date that would materially affect the results presented at the end of the year.

**19. ECONOMIC DEPENDENCY**

The company's economic viability is dependent upon the continued financial support of its parent entity.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 20. RELATED PARTY TRANSACTIONS

### (a) Directors

The names of the directors of the company during the financial year are set out on page 108 of this report.

There have been no transactions with directors or director-related entities during the financial year, other than remuneration as detailed at note 16.

### (b) Parent entity

The parent entity is University of Technology, Sydney, an entity incorporated in New South Wales.

#### Transactions with the parent entity

The following transactions occurred during the year between the company and University of Technology, Sydney (UTS).

#### Services provided by UTS

UTS provided services to the company in accordance with the service level agreement between the two entities. Services included the provision of personnel and premises and the payment of various operating expenses.

#### Faculty costs charged by UTS

The services of various UTS personnel were utilised by the company during the year. In return, the company paid fees to various UTS faculties.

#### Training and development services provided to UTS

The company is a registered training organisation (RTO) and provided training and development services to UTS. In return, the company charged certification fees to UTS.

	2013 \$	2012 \$
<b>Amounts included in revenue during the financial year</b>		
Certification fees charged to the parent entity	17,600	38,510
<b>Amounts included in assets and liabilities at the end of the financial year</b>		
Amounts receivable from parent entity — current	79,148	155,497
Amounts payable to parent entity — current	1,345,587	1,485,652
Loans from parent entity (unsecured)	35,000	35,000

There are no fixed terms for the repayment of the loan, which is unsecured. No interest has been charged by the parent entity.

### (c) Wholly owned group

The wholly owned group consists of University of Technology, Sydney (UTS) and its controlled entities, accessUTS Pty Limited, UTS Global Pty Ltd, INSEARCH Educational International Pty Ltd, INSEARCH Education Limited, INSEARCH Limited and INSEARCH (Shanghai) Limited.

## 21. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

### (a) Instruments reported by categories of financial assets and liabilities

	2013 \$	2012 \$
<b>Loans and receivables</b>		
Cash and cash equivalents	2,210,199	3,862,563
Trade and other receivables	2,702,870	747,020
	4,913,069	4,609,583
<b>Other financial liabilities</b>		
Trade and other payables	1,560,973	2,468,205
Income received in advance	3,016,062	1,854,870
	4,577,035	4,323,075

### (b) Risk exposures and responses

The company's financial instruments consist of cash, short-term deposits, accounts receivable and payable and loans from the parent entity.

The company's main risks from its financial instruments are interest rate risk and credit risk. The company does not have any derivative instruments at the end of the financial year.

# Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2013

## 21. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (c) Net fair values

The net fair values of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

### (d) Credit risk

The company's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

Receivables balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is limited.

The company does not have any material credit risk exposure to any single receivable or company of receivables under financial instruments entered into by the company. The company minimises concentrations of credit risks in relation to trade accounts receivable by undertaking transactions with many customers.

### (e) Hedging transactions

The company did not enter into any hedging transactions during the year.

### (f) Interest risk

At balance date the company had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	2013		2012	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
<b>Financial assets</b>				
Cash and cash equivalents	2,210,199	2,210,199	3,862,563	3,862,563
Trade and other receivables	2,702,870	2,702,870	747,020	747,020
	<b>4,913,069</b>	<b>4,913,069</b>	<b>4,609,583</b>	<b>4,609,583</b>
<b>Financial liabilities</b>				
Trade and other payables	1,560,973	1,560,973	2,468,205	2,468,205
Income received in advance	3,016,062	3,016,062	1,854,870	1,854,870
	<b>4,577,035</b>	<b>4,577,035</b>	<b>4,323,075</b>	<b>4,323,075</b>

The company's exposure to market risk for changes in interest rates relates primarily to its holding of cash. The company seeks to maximise the interest earned on cash and deposits balanced against the length of investment and impact on liquidity. The company's policy is to manage its interest rate exposure with a mixture of fixed and floating rate deposits.

The following sensitivity analysis is based on the interest rate risk exposures in existence as at the balance date.

At year end, if interest rates had moved as illustrated in the table below, with all other variables held constant, post-tax profit would have been affected as follows:

	Equity higher/(lower)		Post-tax profit higher/(lower)	
	2013 \$	2012 \$	2013 \$	2012 \$
<b>Judgments of reasonably possible movements</b>				
+0.5% (50 basis points)	11,640	13,519	11,640	13,519
-0.5% (50 basis points)	(11,640)	(13,519)	(11,640)	(13,519)

**END OF AUDITED FINANCIAL STATEMENTS**

## APPENDIX 1

### Controlled entities

#### accessUTS Pty Limited

accessUTS Pty Limited is the wholly owned commercial arm of the University of Technology, Sydney. The company was established in 2001 and is responsible for the provision of UTS consultant expertise to business, industry, the community and government.

accessUTS consultants work across a range of academic disciplines, in the fields of business and finance; communications and social inquiry; design, architecture and building; education and training; engineering; health sciences; information technology; law; nursing, midwifery and health; and science; providing consulting and expert opinion services, laboratory testing and analysis, training programs and study tours.

#### INSEARCH Limited

INSEARCH Limited is a registered Australian higher education institution and is the premium pathway provider to UTS. UTS:INSEARCH is also an important part of the UTS community.

The strong educational relationship between UTS:INSEARCH and UTS means that UTS:INSEARCH students benefit from UTS's academic standards, world-class facilities and reputation for excellence.

UTS:INSEARCH offers a range of pathways that lead to UTS degrees, including leading Academic English programs, UTS Foundation Studies (offered on behalf of UTS) and higher education diplomas that can lead to second year of a UTS degree.

These programs are all designed to prepare students for success in their university studies. They are also developed in consultation with the relevant UTS faculty and the course is then recommended to the UTS Academic Board for articulation approval.

UTS:INSEARCH also provides leading English language training for students wishing to improve their spoken, written and academic English language skills and offers academic English (IELTS) preparation courses.

UTS is represented on the INSEARCH Limited Board and the UTS Academic Board is represented on the INSEARCH Academic Board.

#### UTS Global Pty Ltd

UTS Global Pty Ltd provides management and administrative services to the University related to UTS representative offices overseas.

Currently, the provision of services relates to the establishment of a representative office in Beijing, China, which will provide relationship management, market intelligence and profile-building services to UTS.

UTS Global Pty Ltd directors and management comprise current UTS executive and staff.

## APPENDIX 2

### Meetings of Council members

The numbers of meetings of the members of the UTS Council and of each committee and group held during the year ended 31 December 2013, and the numbers of meetings attended by each member, were:

	Council		Audit and Risk Committee		Commercial Activities Committee		Finance Committee		Governance Committee		Honorary Awards Committee		Nominations Committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
<b>Members of the Council of the University</b>														
Peter Bennett	8	8	-	-	-	-	6	6	-	-	-	-	-	-
Michelene Collopy	8	8	4	3	-	-	6	5	-	-	-	-	-	-
Megan Cornelius, AM	8	6	-	-	5	3	-	-	-	-	2	1	-	-
Elizabeth Hanley (elected November 2013)	2	2	-	-	-	-	-	-	-	-	-	-	-	-
Robert Kelly	8	7	4	4	-	-	-	-	4	4	-	-	-	-
Douglas McDonald	8	8	-	-	-	-	-	-	-	-	-	-	-	-
Professor Ross Milbourne	8	7	-	-	5	5	6	6	4	4	2	2	-	-
Professor Jenny Onyx	8	8	-	-	-	-	-	-	-	-	2	1	-	-
Zohaib Raza (ended August 2013)	4	3	-	-	-	-	-	-	-	-	-	-	-	-
Dr Ron Sandland, AM	8	8	-	-	5	5	-	-	-	-	2	2	-	-
Professor Vicki Sara, AO	8	8	-	-	-	-	-	-	4	4	2	2	-	-
Michael G Sexton SC	8	6	-	-	-	-	-	-	4	4	-	-	-	-
Professor Greg Skilbeck	8	8	-	-	-	-	-	-	-	-	-	-	-	-
Russell Taylor	8	8	-	-	-	-	6	5	-	-	2	2	-	-
Tony Tobin	8	6	-	-	-	-	-	-	-	-	-	-	-	-
Associate Professor Sally Varnham	8	8	-	-	-	-	-	-	-	-	2	2	-	-
Daniel Willis	8	8	-	-	-	-	-	-	-	-	-	-	-	-
Brian Wilson	8	8	-	-	-	-	6	5	-	-	2	2	-	-
Su-Ming Wong	8	5	-	-	5	3	-	-	-	-	-	-	-	-

A. Represents the number of meetings held during the time the member held office or was a member of the committee during the year.

B. Represents the number of meetings attended by the member.

	Student/Council Liaison Group		Equity Reference Group		Physical Infrastructure Committee		Remuneration Committee		Joint Audit and Risk and Finance Committee		Social Justice Committee		Total	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
	-	-	-	-	-	-	-	-	-	-	-	-	14	14
	-	-	-	-	-	-	-	-	-	-	-	-	18	16
	3	2	-	-	-	-	-	-	-	-	1	1	18	12
	-	-	-	-	-	-	-	-	-	-	-	-	2	2
	-	-	-	-	-	-	-	-	-	-	-	-	16	15
	3	3	-	-	-	-	-	-	-	-	-	-	11	11
	-	-	-	-	6	5	-	-	-	-	-	-	31	29
	-	-	-	-	-	-	-	-	-	-	-	-	10	9
	2	1	-	-	-	-	-	-	-	-	-	-	6	4
	-	-	-	-	-	-	-	-	-	-	-	-	15	15
	-	-	-	-	-	-	1	1	-	-	-	-	15	15
	3	3	-	-	-	-	-	-	-	-	1	1	15	13
	-	-	-	-	6	3	-	-	-	-	-	-	14	11
	-	-	-	-	6	6	1	1	-	-	-	-	23	22
	-	-	-	-	6	6	1	1	-	-	-	-	15	13
	-	-	-	-	-	-	-	-	-	-	-	-	10	10
	-	-	-	-	-	-	-	-	-	-	-	-	8	8
	-	-	-	-	6	6	1	1	-	-	-	-	23	22
	-	-	-	-	-	-	-	-	-	-	-	-	13	8

## APPENDIX 3

### Executive performance and remuneration

#### Number of executive staff of the University by gender

	2009	2010	2011	2012	2013
Female	2	2	2	2	2
Male	5	5	5	5	5
<b>Total</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>

#### Executive remuneration approach and structure

UTS Council recognises that the University operates in a global environment and that our performance depends on the quality of our people. Remuneration and benefits are among the methods used to attract and retain quality executive leaders to support the long-term sustainability of the University.

#### Key principles of our executive remuneration model

- > To provide competitive rewards to attract, motivate and retain highly skilled executive leaders
- > To ensure remuneration arrangements are equitable and reflect appropriate relativities within our industry sector in Australia
- > To provide flexibility in the structure of the remuneration package to create maximum value to the individual within the specified total package cost
- > To hold the executive leaders jointly and individually accountable for a demanding set of key performance indicators (KPIs) including both academic and organisational sustainability outcomes
- > To link a component of pay to performance outcomes.

#### Components of executive remuneration

The remuneration paid and payable to members of the UTS Senior Executive comprises fixed and at-risk components. The manner in which these are determined is outlined below.

Component	Policy
1. Base salary	<ul style="list-style-type: none"> <li>&gt; Reviewed annually based on contribution and market relativities.</li> <li>&gt; Targeted at industry median levels for comparable roles in universities of similar complexity and size.</li> <li>&gt; Hay Group Guide Chart — Profile Method of Job Evaluation is used to determine the relative 'size' or importance of all senior staff jobs at UTS.</li> <li>&gt; Market data from the Australian higher education sector (including a benchmark group of 10 most relevant comparator universities) and the general market is used to benchmark salary levels.</li> </ul>
2. Retirement benefit	<ul style="list-style-type: none"> <li>&gt; Provide industry norm level of employer contribution (17 per cent) to choice of defined benefit or accumulation superannuation fund.</li> <li>&gt; Provide the option, where possible, for an individual to reduce the employer contribution level to the SG complying level with the difference paid as additional salary.</li> </ul>
3. Other benefits	<ul style="list-style-type: none"> <li>&gt; All non-cash benefits are provided on a salary-sacrifice basis.</li> <li>&gt; Senior executive members can elect non-cash benefits based on individual preferences.</li> <li>&gt; The only exception to this is the residence provided for use by the Vice-Chancellor.</li> <li>&gt; The value of the FBT payable on the market value is included in the calculation of the value of these benefits.</li> </ul>
4. At-risk incentive	<ul style="list-style-type: none"> <li>&gt; As part of the performance planning process each calendar year, a number of key deliverables/strategic goals are articulated for each executive staff member.</li> <li>&gt; In July each year the Vice-Chancellor (in the case of Deputy Vice-Chancellors) or the Council Remuneration Committee (in the case of the Senior Deputy Vice-Chancellor and Vice-Chancellor) make decisions on each of the senior executive staff member's overall performance for the prior calendar year with specific reference to the University's performance outcomes, the individual work plan objectives and levels of performance against those objectives. This assessment determines the level of payment from the at-risk component. Thus the performance component paid in 2013 relates to performance in 2012. The only exception to this is the Deputy Vice-Chancellor (Research), whose performance payment relates to performance outcomes during the financial year 2012/13.</li> <li>&gt; Where service in the 12-month performance plan period is greater than three, and less than nine months, payment is pro rated.</li> </ul>

The sum of the values of remuneration elements 1–3 are reported as 2013 remuneration package<sup>1</sup> in the following table.

At-risk performance incentive (or performance-based pay) is reported separately as required by the regulation<sup>2</sup>.

1. As defined for remuneration package (c) in the Annual Reports (Statutory Bodies) Regulation 2010 (NSW).

2. In section 11(3)(c) of the Annual Reports (Statutory Bodies) Regulation 2010 (NSW).

3. Key management personnel disclosures, including remuneration of executive officers, are also included in note 7 of the UTS financial statements on page 26.

4. All members of the executive were in their positions for the full 2013 calendar year.

Executive performance and remuneration<sup>3</sup>

Name	Position and level <sup>4</sup>	2013 remuneration package (not including performance incentive)	Market relativity	Payment based on 2012 performance	Results
Professor Ross Milbourne	Vice-Chancellor and President — senior staff level 7	\$749,178 (including salary: \$474,397, superannuation: \$80,647, accommodation, inclusive of FBT: \$194,133)	At/around median for Vice-Chancellors in our selected comparator group of universities	\$142,500	The University's performance was sound in 2012. ERA 2012 identified all UTS research to be of world standard. Professor Milbourne successfully met the performance expectations contained in his performance agreement and continued to enhance UTS's reputation with government, industry and the community.
Professor Peter Booth	Senior Deputy Vice-Chancellor and Senior Vice-President — senior staff level 6	\$448,330 (including salary: \$383,188 and superannuation: \$65,142)	At/around median for Senior Deputy Vice-Chancellors in our selected comparator group of universities	\$70,000	Professor Booth successfully met the performance expectations in his performance agreement including leading the TEQSA registration process, further developing UTS's KPI framework, including its extension to faculties, and the stewardship of UTS's relationships with key partners.
Professor Shirley Alexander	Deputy Vice-Chancellor and Vice-President (Teaching, Learning and Equity) — senior staff level 5	\$363,710 (including salary: \$310,864 and superannuation: \$52,847)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$55,000	Professor Alexander successfully met the performance expectations in her performance agreement including building UTS's future student profile, designing UTS's new learning spaces and playing a leadership role in the community related to learning and teaching.
Professor Attila Brungs	Deputy Vice-Chancellor and Vice-President (Research) — senior staff level 5	\$362,455 (including salary: \$334,838 and superannuation: \$27,618)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$55,000	Professor Brungs successfully met the performance expectations in his performance agreement including increasing UTS's research performance, achievement of an excellent result in ERA 2012 and contributing to the establishment of key international partnerships.
Ms Anne Dwyer	Deputy Vice-Chancellor and Vice-President (Corporate Services) — senior staff level 5	\$363,002 (including salary: \$310,258 and superannuation: \$52,744)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$55,000	Ms Dwyer successfully met the performance expectations in her performance agreement including showcasing UTS creative events and exhibitions to the community, implementing new initiatives in postgraduate recruitment, completion of a UTS-wide staff survey with 90% staff participation and implementing and strengthening UTS's compliance and risk frameworks.
Professor William Purcell	Deputy Vice-Chancellor and Vice-President (International and Development) — senior staff level 5	\$363,929 (including salary: \$320,382 and superannuation: \$43,547)	At/around median for Deputy Vice-Chancellors in our selected comparator group of universities	\$55,000	Professor Purcell successfully met the performance expectations in his performance agreement including strong international student recruitment compared with the sector in difficult market conditions, further expansion of international agreements and networks and representing UTS externally.
Mr Patrick Woods	Deputy Vice-Chancellor and Vice-President (Resources) — senior staff level 5	\$449,386 (including salary: \$406,701 and superannuation: \$37,121, and Income Protection Insurance: \$5,564)	At/around median for chief financial officers in the general market in similar sized organisations	\$55,000	Mr Woods successfully met the performance expectations in his performance agreement including delivery of the campus master plan projects, oversight of financial management and external engagement with the City of Sydney and neighbouring organisations.

1. As defined for remuneration package (c) in the Annual Reports (Statutory Bodies) Regulation 2010 (NSW).

2. In section 11(3)(c) of the Annual Reports (Statutory Bodies) Regulation 2010 (NSW).

3. Key management personnel disclosures, including remuneration of executive officers, are also included in note 7 of the UTS financial statements on page 26.

4. All members of the executive were in their positions for the full 2013 calendar year.



## APPENDIX 4

### Employees

#### Workforce size: full-time equivalent (FTE) and actual

	Academic	Support	Total
<b>FTE staff<sup>1</sup></b>			
2011	934.6	1410.7	2345
2012	966.3	1487.8	2454
<b>2013</b>	<b>990.8</b>	<b>1526.8</b>	<b>2518</b>
<b>Casual staff</b>			
2011	395.6	246.6	642
2012	382.3	236.9	619
<b>2013</b>	<b>367.5</b>	<b>238.3</b>	<b>606</b>
<b>Actual persons<sup>1,2</sup></b>			
2011	996.0	1506.8	2503
2012	1036.9	1592.5	2629
<b>2013</b>	<b>1071.3</b>	<b>1635.9</b>	<b>2707</b>

Total staff (FTE) increased during 2013 by 1.6 per cent.

Academic staff represent 43.5 per cent of staff.

1. Continuing and fixed term.

2. Some staff are employed as both academic and support staff.

#### Profile of academic staff by classification

Number of academic staff at each level as a percentage of total academic staff<sup>1</sup>.

	2011	2012	2013
Professor	15.9	16.1	16.9
Associate Professor	10.5	11.7	12.7
Senior Lecturer	33.9	30.7	30.8
Lecturer	33.6	33.9	31.9
Associate Lecturer	6.1	7.5	7.7

With casuals included, 44 per cent of academic staff (FTE) during 2013 were at the level of senior lecturer and above.

1. These figures exclude casual academic staff, however senior staff group academics have been included at their substantive appointment level.

#### Professional Experience Programs

Number of academic staff proceeding on a professional experience program (PEP) during 2013.

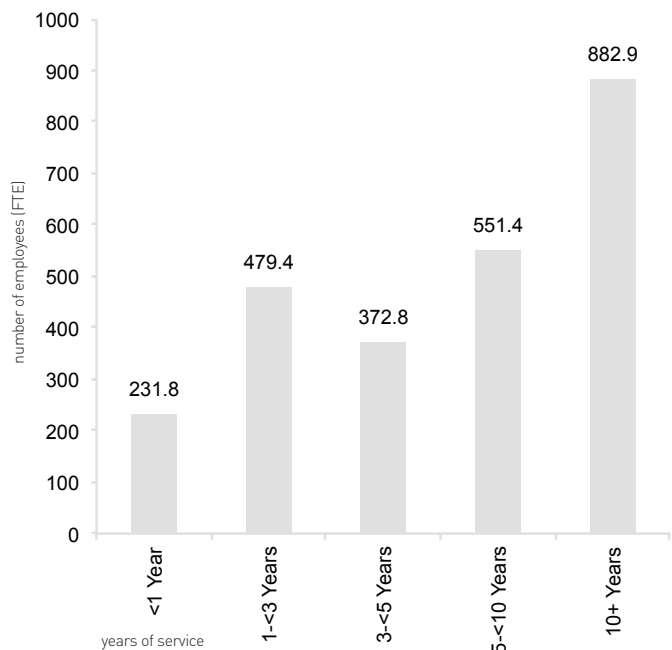
	Male	Female	Total
Professor	7	3	10
Associate Professor	5	7	12
Senior Lecturer	16	17	33
Lecturer	6	10	16
Associate Lecturer	-	1	1
<b>Total</b>	<b>34</b>	<b>38</b>	<b>72</b>

During 2013, 72 academic staff undertook a PEP, an increase of four from 2012. There was an increase in female participation of 18.8 per cent and a decrease in male participation of 5.6 per cent compared to 2012. Fifty-three per cent of staff undertaking PEP in 2013 were female compared to 47 per cent in 2012.

#### Staff turnover

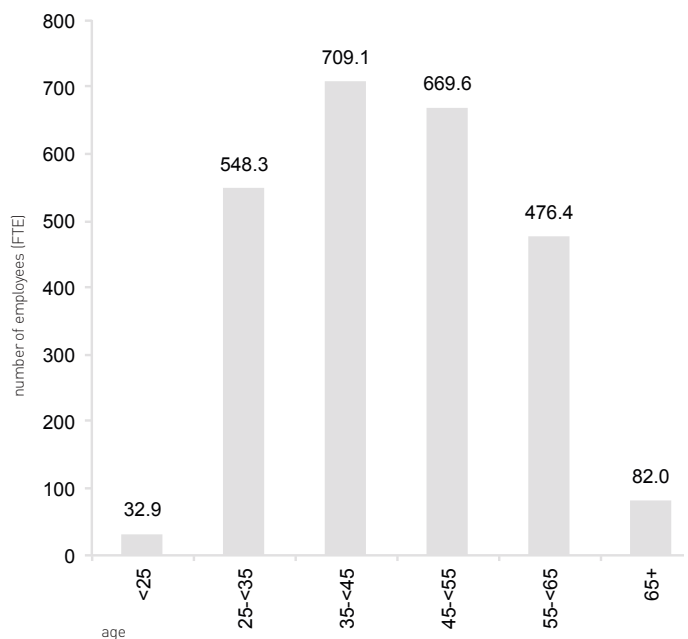
In the 12 months ending 31 December 2013, the staff turnover rate due to resignations was 5.1 per cent.

#### Length of service profile



As at 31 December 2013, the median length of service for continuing and fixed-term staff was six years.

#### Age profile



As at 31 December 2013, the median age for continuing and fixed-term staff was 44 years.

## APPENDIX 5

### Equal employment opportunity trends

These tables show trends over the last five years in the representation of equal employment opportunity (EEO) groups and the distribution of EEO groups across salary levels for both academic and general staff.

**Table A: Trends in the representation of EEO groups<sup>1</sup>**

	Benchmark or target	% of total staff <sup>2</sup>				
		2009	2010	2011	2012	2013
<b>General staff</b>						
Women	50	58	59	60	58	60
Aboriginal people and Torres Strait Islanders	2	1.8	1.9	1.3	2.3	1.8
People whose language first spoken as a child was not English	19	35	35	37	37	38
People with a disability	12	9	9	8	8	8
People with a disability requiring adjustment at work	7	1.6	1.5	1.2	1.5	1.4
<b>Academic staff</b>						
Women	50	44	44	43	42	43
Aboriginal people and Torres Strait Islanders	2	1.8	1.9	1.2	1.5	1.5
People whose language first spoken as a child was not English	19	31	34	34	36	36
People with a disability	12	8	8	8	6	7
People with a disability requiring adjustment at work	7	3.2	2.9	2.8	2.8	3.3

**Table B: Trends in the distribution of EEO groups<sup>1</sup>**

	Benchmark	Distribution index <sup>3</sup>				
		2009	2010	2011	2012	2013
<b>General staff</b>						
Women	100	93	92	92	94	93
Aboriginal people and Torres Strait Islanders	100	93	96	n/a	93	95
People whose language first spoken as a child was not English	100	93	93	92	93	92
People with a disability	100	99	93	98	96	95
People with a disability requiring adjustment at work	100	102	100	n/a	104	107
<b>Academic staff</b>						
Women	100	90	90	92	93	91
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a	n/a
People whose language first spoken as a child was not English	100	90	90	91	92	92
People with a disability	100	102	105	103	109	104
People with a disability requiring adjustment at work	100	101	106	107	109	98

**Table C: Number and percentage of female executive officers**

	2009	2010	2011	2012	2013
Number	2	2	2	2	2
%	50	28	28	28	28

1. Information is provided on the actual number of all permanent, probationary and fixed-term contract full-time and part-time staff. Staff records are consistent with Australian Government data collections of the same date.

2. Casual staff are not included.

3. A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The distribution index is automatically calculated by the software provided by the Office of the Director of Equal Opportunity in Public Employment. The distribution index is not calculated where numbers are statistically small.

## APPENDIX 6

### Multicultural policies and services

UTS is committed to supporting and fully engaging all members of its culturally diverse staff and student community. In 2013 the University undertook a wide range of activities directed towards this goal.

Note: Information on the UTS Widening Participation Strategy is available in the students section in volume one.

#### UTS In-fusion festival

In-fusion is a vibrant, public cultural festival hosted by UTS annually. The festival brings together UTS students, staff and members of the local community and showcases a variety of cultures in a week of colourful music, food, art, education and dance. The festival is run by the Student Services Unit and sponsored by the UTS Union and the City of Sydney.

Highlights from the festival this year included the Acknowledgement of Country and an educational performance, comedian Steady Eddy, a Chinese lion dance and an array of market stalls selling international food, jewellery and art. Students also contributed to the Celebrating the Power of Humanity photo competition. There was also a world fiesta night in collaboration with UTS students' Ethno-cultural Collective.

#### UTS Network Cafe

The UTS Network Cafe continued its weekly Thursday meetings throughout the year; providing new international, study abroad and exchange students with the opportunity to meet experienced local students (peer networkers) who answer questions, share local cultural tips, help practise new language skills or just spend time together. The cafe, by building a social network between local and international, study abroad and exchange students, contributes to cultural exchange and allows local students to gain an international perspective of the challenges of studying in a foreign country. There is also an internet chat option for international students pre-arrival.

#### UTS Peer Network

The UTS Peer Network is a volunteer program where local and international students from all UTS campuses welcome new students. During orientation, peer networkers led campus tours, staffed the orientation help desk, helped students book in for orientation events, answered questions from new students, and more. Throughout the semester, peer networkers were involved in a range of other student life programs and events.

#### UTS Housing Resident Life Program

The Resident Life Program provides students in student housing with a dedicated support network. The UTS Housing community accommodates more than 1100 local and international students spread across four main residence buildings.

Housing staff, along with a group of senior students (resident networkers), put on a number of events and activities throughout the year that encouraged social interaction, helped with the transition of living away from home and cross-cultural communication. Examples included a themed annual dinner, English conversation classes, language classes offered by residents, and a cooking competition where students produced fare from their home country.

In 2013 a new program entitled Cultures of Respect was commissioned to understand residents' opinions and engage in conversations around difference. This has been developed into a training program in which residential networkers participated.

#### UTS HELPS

Information on UTS HELPS is available in the students section in volume one.

#### Community Connections

Community Connections is a free UTS program that helps international students meet local and other international students and take part in community events, including volunteering. Further information is available in the students section in volume one.

#### Special access schemes and support

UTS recognises the educational disadvantage experienced by people with a refugee background and aims to assist by providing improved employment prospects through tertiary education and engagement within the Australian community.

The refugee special admission scheme is for applicants who have no documentation of their qualifications due to their refugee experience. Applicants to this scheme apply directly to the University's Equity and Diversity Unit. The unit will act on the applicant's behalf to collect and forward evidence to faculties for consideration. This consideration may require English and skills assessments, along with a statutory declaration that evidence of their completed qualifications cannot be provided.

The inpUTS educational access scheme allows approved applicants to enter a UTS course with a lower Australian Tertiary Admission Rank or Tertiary Entrance Rank than is normally required, in recognition of the applicant's long-term educational disadvantage. The scheme is open to both current school leavers and non-current school leaver applicants.

UTS funds equity scholarships administered through the Universities Admissions Centre as institution equity scholarships. These scholarships assist with the costs associated with higher education and are awarded to students experiencing financial disadvantage and/or other educational disadvantages. Refugee status (disrupted schooling) is considered to be an educational disadvantage.

#### Refugee mentoring

First-year students who identified as being current or past holders of a permanent humanitarian visa were contacted to join a UTS mentoring program delivered by the Student Services Unit. This year, 14 experienced students were trained to be mentors, and six student mentees were matched with faculty-based mentors.

#### University Library

The library provides a welcoming and inclusive environment for all UTS staff and students.

Librarians work closely with international students, including those supported by AusAID, those preparing for the transition to university studies through UTS:INSEARCH and those studying offshore, such as master's and doctoral students in Hong Kong. Some face-to-face classes, online tutorials and webpages are available in Chinese; software enables the use of Chinese, Japanese and Korean characters on library computers; and self-service kiosks for borrowing books now offer a range of language options.

Further, local and international students are employed as rovers to provide peer support for those learning to use the library's resources and facilities.

In support of the University's strategy to develop students' English language skills, new hands-on workshops were introduced to guide students through the English learning software, tools and resources that the library provides to improve vocabulary, grammar, writing and study skills, and prepare students for the job-seeking process. We continued to expand the collection of electronic books, language learning and IELTS material, as well as leisure reading.

A new initiative this year was the screening of international films, including *The Extraordinary Adventures of Adèle Blanc-Sec* and *Ten Canoes*, to engage our multicultural community of international students and foreign films fans.

#### Institute for Interactive Media and Learning

In 2013 the Institute for Interactive Media and Learning ran three workshops for academics on teaching and learning in culturally diverse tutorials. These professional development workshops were designed to address issues reported by both academic staff and students in either running or participating in tutorials with a culturally diverse student cohort. The sessions were run by academics who had worked extensively with students from culturally diverse backgrounds and were informed by academic research and UTS's commissioned research on the experiences of international students.

## APPENDIX 7

### Disability plans

In 2013 the Equity and Diversity Unit focused on four main areas identified in the mid-term review of the Disability Action Plan (held in 2012). The areas of focus were training, the virtual environment, physical access and cultural change.

The mental health training suite was broadened to include mental health awareness (three hours), manager-assist mental health awareness for supervisors (three hours) and mental health first aid (12 hours). This has given UTS staff a diverse choice of mental health training options to meet the specific needs and availability of staff across the University.

Students with print disabilities have long had issues with receiving accessible documents in a timely manner. After identifying that many academic staff were not aware of how to ensure the accessibility of their documents, an online information package with hard copy summary fact sheets is being developed. This will provide the information academics need to understand the needs of students with print disabilities and the skills to ensure all their documents are accessible.

The ongoing construction work across the campus has posed threats to physical accessibility and safe routes for staff and students with mobility restrictions. Actions taken by the University have ensured that there have been no issues for staff and students with mobility restrictions. UTS has been conscious of access issues and has maintained dialogue with the Equity and Diversity Unit around this; a major achievement in light of the amount and diversity of construction work being undertaken.

The AppreciatingAbility project partnered with the UTS Union sports office to purchase sporting wheelchairs for an ongoing wheelchair basketball competition run by the sports office as part of its lunchtime social sports line-up. Also, performers with a disability were involved in the In-fusion cultural festival, further embedding people with disability into the mainstream activities of the University.

## APPENDIX 8

### Safety and wellbeing

In 2013, seven incidents were notified to the WorkCover Authority of New South Wales as required by the incident notification provisions of the *Work Health and Safety Act 2011* (NSW).

- > On 19 February, two maintenance staff were exposed to sewage, resulting in basic medical treatment. No other time was lost due to the incident. WorkCover advised that it does not intend to investigate the matter.
- > On 9 April, a staff member possibly inhaled chemical vapours while washing laboratory glassware. The staff member subsequently returned to work on full duties. WorkCover advised that it does not intend to investigate the matter.
- > On 11 September, a Faculty of Science academic staff member injured his hand with a tool while on a fieldwork excursion near Alice Springs, and underwent surgery in Alice Springs hospital. There was no further identified action to prevent a similar recurrence. Medical staff said the excellent remote-area first aid provided improved the outcome of the injury, removing the need for further operations (only one was required), and possibly saved the staff member's finger. WorkCover has not undertaken an investigation into this matter.
- > On 1 October, drops of the chemical xylene contacted a Faculty of Science technical officer's eye area during work in a pathology preparation lab, despite safety glasses being worn. She has since returned to regular duties.
- > On 18 October, a Faculty of Science researcher contracted gastroenteritis after being exposed to a bacterial culture in a research laboratory. The exposure was reported to WorkCover on 21 October. She responded well to antibiotics. All cultures are now being handled in biosafety cabinets.
- > On 23 October, Faculty of Science technical staff noticed that picric acid in a Building 1 store had dried out. A request for the safe disposal of the picric acid, which can present an explosion risk, was made on 24 October. The UTS emergency management team was subsequently convened and a precautionary evacuation of Buildings 1, 2 and 4 and the Alumni Green construction site occurred, based on a Fire and Rescue NSW Hazmat team assessment. The NSW Police Force Bomb Disposal Unit removed two containers of picric acid for off-site destruction. A WorkCover inspector, who visited the store area on 24 October, was subsequently provided UTS's incident investigation report on the matter and no further action has been taken by WorkCover.
- > On 28 November, overloading of a student accommodation lift by 22 students caused the lift to fail and drop one floor, temporarily trapping the occupants. No injuries were reported and WorkCover informed UTS on the same day that it would not be conducting an investigation.

During 2013, UTS was not investigated nor issued any improvement or prohibition notices by WorkCover.

### Workers compensation statistics

Number of premium-impacting claims	65
Net incurred costs	\$166,082
Average cost per claim	\$2555
Premium cost	\$1,442,566.91

### Training and assessment

The Human Resources Unit launched a new online training module, Preventing Bullying in the Workplace, in November. Forty-nine people completed this training.

This year saw an increase in the number of staff completing the online safety and wellbeing essentials training: 269 staff (compared to 187 in 2012). Thirty-nine staff attended supervisor health and safety training.

The Human Resources Unit conducted 226 assessments of staff members' workstation ergonomics, with staff members receiving recommendations on amendments to their workstation layout and configuration.

### Work health and safety management system audit

An audit was conducted of UTS's work health and safety (WHS) management system against key changes in the *Work Health and Safety Act 2011* (NSW), against key elements of the Australian/New Zealand Standard (AS/NZS) 4801:2001, and a high-level survey of safety culture.

The WHS management system received an overall rating of 'substantially effective', with management awareness and actions rated as 'substantially effective' and the control environment rated as 'partially effective'. The audit identified nine observations requiring management attention.

Based on interviews with key UTS senior management, and the facilitated safety culture workshops held with management and worker representatives, UTS was assessed against the Hudson Safety Maturity Model as being at the third (or 'calculative') of five levels of safety maturity. The cultural descriptor for this calculative level of safety maturity is 'we have systems in place to manage hazards'. The agreed consensus of the attendees at the workshops was that UTS should aim towards a 'proactive' safety culture.

The audit found that management demonstrated a good understanding of the key risks and controls relating to work health and safety. Management are continuing to identify and implement opportunities for improvement, including the findings from the review, and actions to address these findings are underway.

## APPENDIX 9

### Overseas travel

The University paid \$6.93 million for staff overseas travel in 2013 (compared with \$6.87 million in 2012). These payments supported a wide range of activities, including attendance and presentation of research papers at international conferences, staff development, and research and teaching at affiliated institutions.

## APPENDIX 10

### Insurance

#### General insurance

UTS has a range of insurance policies to manage risks associated with physical assets and commercial activities. These insurance policies include, but are not limited to, property insurance including business interruption, general third party and product liability; breach of professional duty including medical malpractice; and business travel, property in transit and damage to watercraft including associated vessels and equipment.

These policies are all placed with insurers with a Standard & Poor's financial security rating of 'A' or above. UTS conducts risk profiling and insurable risk gap analyses on a regular basis to ensure the insurance program continues to meet the evolving and dynamic nature of the organisation.

#### Insurance of officers

UTS has comprehensive directors' and officers' insurance. Coverage includes fees and expenses in defence of a claim against wrongful acts, a prosecution in a court of criminal jurisdiction or an inquiry, hearing, tribunal or professional association.

The level of cover purchased by UTS benchmarks extremely well among its peers and the policy is placed with insurers with a Standard & Poor's rating of 'A' or above.

## APPENDIX 11

### Legislative matters

#### Changed governance framework for universities

During 2013, new governance standards for universities were introduced under the *Tertiary Education Quality and Standards Agency Act 2011* (Cwlth) (TEQSA Act) and the associated Higher Education Standards Framework (Thresholds Standards) 2011 (Cwlth).

In addition to requiring 'sound corporate and academic governance of its higher education operations', there are other key governance obligations on UTS, which have been considered by UTS Council. The recent Centro decision (*Australian Securities and Investments Commission v Healey* [2011] FCA 717) and the extensive litigation in relation to the James Hardy asbestos liability that went to the High Court are relevant decisions in considering governance in the corporate sector.

Because UTS is also a charity, UTS is required to comply with the new *Australian Charities and Not-for-profits Commission Act 2012* (Cwlth) governance obligations, as a condition of its registration. The Australian Charities and Not-for-profits Commission Regulation 2013 (Cwlth) also contains general governance standards universities can relatively easily comply with as they overlap with the more specific obligations under the threshold standards required under the TESQA Act.

#### New right of action regarding bullying under the Fair Work Act

Like all large employers the University has worked to prepare for the amendments to the *Fair Work Act 2009* (Cwlth) (FWA), which provides employees with a new right for employees and others to make a bullying complaint to the Fair Work Commission under the FWA. On 1 January 2014, there is a new right for 'workers' (in the Work Health and Safety Act sense of the word) to make a bullying complaint to the Fair Work Commission under the FWA. Safe Work Australia has produced a 'Guide for preventing and responding to workplace bullying'.

## New privacy laws

With the commencement of new Commonwealth privacy law in early 2014 (as a result of the passing of the Privacy Amendment (Enhancing Privacy Protection) Bill 2012 (Cwlth)), universities that are subject to the Commonwealth's *Privacy Act 1998* will need to determine whether their hosting, managed services and data management adequately protect personal information that may be shared between or retrieved from virtual storage locations within Australia or overseas. The new privacy law must be considered when assessing the use of cloud storage for data that is personal information and the security breach notification requirements of the privacy act amendment.

Under the new Commonwealth privacy law, a university disclosing personal information overseas may be held liable for a privacy breach made by an overseas recipient. Further, the Privacy Commissioner will have enhanced investigation and assessment powers in order to detect potential breaches and will have broad powers in relation to the enforcement of orders and monetary penalties. This is an important consideration for a university that uses, or is planning to use, cloud hosting, as contracts for this type of service may seek to shift responsibility for compliance with privacy laws on to the customer. From 1 January 2014 all privacy complaints in New South Wales will be heard by the NSW Civil and Administrative Tribunal.

## APPENDIX 12

### Consumer response

#### Equity and Diversity Unit

As part of its aim to promote a fair and equitable work and study environment UTS encourages staff and students to raise concerns about discrimination, harassment or unfair treatment. The Equity and Diversity Unit is the contact point for staff and students who have complaints that involve elements of unlawful discrimination or harassment. The unit provides information, advice and support for staff and students and, where relevant and appropriate, assists in the resolution of matters.

The unit also provides information, advice and support to staff on handling discrimination and harassment issues and works with other areas such as the Human Resources Unit, the Student Services Unit, the Governance Support Unit and the Students' Association to address systemic issues that may arise.

Wherever possible and appropriate, unit staff assist individual students and staff to resolve matters at the lowest level. The unit will also assist in resolving complaints and, when required, may be involved in investigating more serious cases.

In 2013 all matters that came to the unit's attention were resolved through the provision of advice, information or support to individuals seeking to address matters themselves or through the provision of assistance in the resolution of matters at a local level. No matters proceeded to an investigation stage.

Overall, the Equity and Diversity Unit handled 21 new student matters and 24 new staff matters this year; five fewer matters than were received in 2012.

The single largest number of inquiries and complaints about potentially unlawful discrimination and harassment from both students and staff concerned disability issues (11 matters). The second largest category involved inquiries about, or allegations of, unfair treatment in relation to family/carer responsibilities (seven matters), followed by complaints about sexual harassment /sex-based discrimination (six matters) and four matters involved race (a category that includes colour, descent, national or ethnic origin or ethno-religious background). The University also received its first complaint in relation to transgender issues from a student. Nine matters involved allegations of inappropriate or unfair treatment, which fell outside the definitions of discrimination or harassment.

## APPENDIX 13

### Privacy

UTS respects the privacy of each individual's personal and health information and is committed to protecting the information it holds and uses about all individuals.

The University is bound by the 12 information protection principles contained within the *Privacy and Personal Information Protection Act 1998* (NSW) (PPIP Act). This Act covers the University in relation to how it manages personal information on or after 1 July 2000, and health information on or after 1 July 2000 until 1 September 2004. The University is also bound by the 15 health privacy principles contained within the *Health Records and Information Privacy Act 2002* (NSW) (HRIP Act). This Act covers the University in relation to how it manages health information on or after 1 September 2004.

The management of personal and health information is governed by the University's Privacy and Protection of Personal Information Vice-Chancellor's Directive, which is the University's privacy policy. Privacy is also governed by the University's Privacy Management Plan. The Privacy Management Plan is required under the PPIP Act and is essentially a statement of how UTS complies with both New South Wales privacy acts. The plan includes provisions for policies and practices to ensure compliance, information and training programs for staff; information on how UTS will comply with information protection and health privacy principles; and details of the University's internal review process. Both of these policy documents are available on the University's policy website.

#### Activities during 2013

The University's Privacy Management Plan has been amended and will be submitted to the Vice-Chancellor for approval in 2014.

In October, UTS held a seminar attended by both staff and students to explore issues related to data, privacy and ethics. The event was attended by the Australian Privacy Commissioner and the New South Wales Privacy Commissioner.

No requests for an internal privacy review were received by the University during 2013.



## APPENDIX 14

### Right to information

#### 1. Review of proactive release program

Under section 7 of the *Government Information (Public Access) Act 2009* (NSW) (GIPA Act), agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

The University's program for the proactive release of information involves decisions made at the business activity level regarding what information should be made public on the University's website. In addition, a review of proactive release is undertaken annually.

Information relating to ongoing business and key University projects and activities considered of interest to the wider community is proactively released on the University's website.

- > News: The University includes information on its website under the UTS: Newsroom, which informs the public of activities happening across UTS and stories of interest, including media releases. Members of the public can also search this site to identify the most appropriate person within UTS to contact with questions in relation to specific fields of expertise.
- > Campus Master Plan (CMP): The University is currently undergoing an extensive program of building works and improvements. Details of the CMP are of interest to not only staff and students, but to potential staff and students, as well as the local community.

- > Facts, figures and ratings: Information known to be of interest to the public includes information on the University's ratings against other universities, and other facts and figures including information on student numbers, diversity, student performance and completion rates, and graduate employment. This information is released for the benefit of past, present and future students, as well as donors, partners and supporters.
- > Governance: The GIPA Act requires certain governance information to be made public, such as policy documents. These are available on the University's policy website. Additional governance information is proactively released to inform staff, students and members of the public about the governance frameworks at UTS and important University decisions. Governance information proactively released includes information about the University's Council and Academic Board and associated committees, agenda and minute documents, and the Academic Board's newsletter.

A further review of proactive release was undertaken during the reporting period. In addition to the above, the review focused on trends identifiable through requests for information, including applications under the GIPA Act and the preceding Freedom of Information Act 1989 (NSW). Any information available regarding informal requests was also considered. No trends in requests were identified. As a result no further information was proactively released.

#### 2. Number of access applications received

During the reporting period, UTS received a total of two formal and valid access applications.

#### 3. Number of refused applications for Schedule 1 information

During the reporting period, UTS did not refuse any formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act.

#### 4. Statistical information about access applications

Table A: Number of applications by type of applicant and outcome<sup>1</sup>

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	–	–	–	–	–	–	–	–
Members of parliament	–	–	–	–	–	–	–	–
Private sector business	–	–	–	–	–	–	–	–
Not-for-profit organisations or community groups	–	–	–	–	–	–	–	–
Members of the public (application by legal representative)	–	–	–	–	–	–	–	–
Members of the public (other)	2	–	–	1	1	–	–	–

1. More than one decision can be made in respect of a particular access application.

Table B: Number of applications by type of application and outcome<sup>1</sup>

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	–	–	–	–	–	–	–	–
Access applications (other than personal information applications)	1	–	–	1	1	–	–	–
Access applications that are partly personal information applications and partly other	1	–	–	–	–	–	–	–

1. More than one decision can be made in respect of a particular access application.

Table C: Invalid applications

Reason for invalidity	Number
Application does not comply with formal requirements (s 41)	–
Application is for excluded information of the agency (s 43)	–
Application contravenes restraint order (s 110)	–
Total number of invalid applications received	–
Invalid applications that subsequently became valid applications	–



**APPENDIX 14 (continued)**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to the Act<sup>1</sup>

Overriding public interest against disclosure	Number of times consideration used
Overriding secrecy laws	–
Cabinet information	–
Executive Council information	–
Contempt	–
Legal professional privilege	–
Excluded information	–
Documents affecting law enforcement and public safety	–
Transport safety	–
Adoption	–
Care and protection of children	–
Ministerial code of conduct	–
Aboriginal and environmental heritage	–

1. More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act<sup>1</sup>

Public interest considerations against disclosure	Number of occasions when application not successful
Responsible and effective government	–
Law enforcement and security	–
Individual rights, judicial processes and natural justice	–
Business interests of agencies and other persons	–
Environment, culture, economy and general matters	–
Secrecy provisions	–
Exempt documents under interstate freedom of information legislation	–

1. More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application).

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	–
Not decided within time (deemed refusal)	–
<b>Total</b>	<b>2</b>

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

Type of review	Decision varied	Decision upheld	Total
Internal review	–	–	–
Review by Information Commissioner	–	–	–
Internal review following recommendation under section 93 of the Act	–	–	–
Review by Administrative Decisions Tribunal	–	–	–
<b>Total</b>	–	–	–

Table H: Applications for review under Part 5 of the Act (by type of applicant)

Applicants for review	Number of applications for review
Applications by access applicants	–
Applications by persons to whom information the subject of access application relates (s 54)	–

## APPENDIX 15

### Public interest disclosures

The University has a Fraud and Corruption Prevention and Public Interest Disclosures Policy and Guidelines, which address the University's legal and ethical obligations to prevent, monitor and report fraud and corrupt conduct.

These documents also describe the framework for dealing with fraud and corruption risks faced by UTS; and provide a system within UTS for reporting disclosures of corrupt conduct, maladministration, serious and substantial waste and failure to publicly disclose certain government information as required by law.

The policy was made known to staff in a University-wide staff notice sent out in May 2013. The policy and guidelines are available on the UTS website and as a PDF document.

The University reported no public interest disclosures to the NSW Ombudsman as part of the required reporting process.

## APPENDIX 16

### Public inquiry

In September 2012, the New South Wales Independent Commission Against Corruption (ICAC) held a public inquiry as part of an investigation into the conduct of a former UTS employee. The employee solicited and accepted money and other benefits from UTS contractors, and knowingly breached UTS policies and procedures for his own benefit and for the benefit of UTS contractors.

ICAC released its findings in a public report in late March 2013 and made a set of recommendations to assist the University in its efforts to prevent any recurrence of such activity.

The University accepted all of the recommendations and provided an action plan for implementation to ICAC in June 2013.

## APPENDIX 17

### Internal audit

#### Internal audit program 2013

Audit area	Senior executive	High-level indication of scope
Procurement	DVC (Resources)	Procurement policy, probity and tender procedures
Campus Master Plan	DVC (Resources)	Campus Master Plan, Dr Chau Chak Wing Building project management review
Payroll	DVC (Resources)	Casual academic salaries
Fees	DVC (CS)	Creating and processing of invoices, including fee waivers
Treasury (investments)	DVC (Resources)	Safeguarding of funds
Network security	DVC (CS)	Architecture and security management
Safety and wellbeing	DVC (CS)	Framework to facilitate the implementation/communication of the health and safety policy
Corporate credit cards	DVC (Resources)	Corporate credit cards; responsibilities of supervisors and compliance
Student systems	DVC (CS)	PIR (scholarships module)
Information management	DVC (CS)	Management of data and information (student data)
Taxation	DVC (Resources)	Compliance with taxation legislation
Student records	DVC (CS)	Confidentiality; integrity and availability of data
Collaborative research projects	DVC (Research)	External engagement by faculties
Donor funds and sponsorships	DVC (International)	Compliance with donor conditions
Events and exhibitions	DVC (CS)	Policies and procedures, event proposal and approval, budgeting, risk management

#### Key to abbreviations

DVC (International): Deputy Vice-Chancellor and Vice-President (International and Development)

DVC (Research): Deputy Vice-Chancellor and Vice-President (Research)

DVC (Resources): Deputy Vice-Chancellor and Vice-President (Resources)

DVC (CS): Deputy Vice-Chancellor and Vice-President (Corporate Services)

## APPENDIX 18

### Risk management

UTS uses a number of strategies to effectively manage and minimise risk to the University. Significant risks are reviewed and assessed twice yearly, and risk assessments are also conducted to manage specific areas of risk, including building projects; environment, health and safety; information technology security and projects; disaster recovery; emergency management; financial risk management; and business continuity planning.

In addition to these University-wide risk assessments, operational risks at the faculty and unit level are also examined. The University has a Risk Management Policy and associated guidelines in place.

### 2014 strategic risk assessment

The strategic risks for 2014 are currently under review. The University's research performance, research reform agenda, campus planning and the reputational and operational impact of campus construction were identified as high risks.

Although not critical, all of the strategic risks present ongoing challenges for UTS and need to be closely monitored.

### Significant operational risks 2014–2016

Risk	Inherent risk	Residual risk assessment			Comments
		2014	2015	2016	
Student income — fees	critical	low	moderate	moderate	Continued uncertainty in international student market, reduction in tax concessions available to postgraduate domestic students
Student income — Commonwealth Grant Schemes (CGS)	moderate	low	moderate	moderate	Government funding cuts, Kuring-gai load dropping, attaining Faculty of Science targets
Achieving operating results	critical	low	high	moderate	
Campus Master Plan project implementation	critical	moderate	high	high	Now in implementation of several Campus Master Plan projects
Campus Master Plan reputational/operational impact during campus construction and relocations	high	high	high	moderate	Attraction and retention of both students and staff during construction phases of the Campus Master Plan. Major relocations in 2014
Achieving changes in teaching delivery	high	moderate	high	high	2014 and 2015 critical in achieving effective use of redesigned teaching spaces as we move into the new buildings
<b>Technologies for delivery of education and research</b>					
Provision of sufficient infrastructure for research	high	low	moderate	moderate	Growth in use of technologies, storage and processing capacity, reduction in government investment in national research infrastructure
Supporting large growth in teaching technologies with new campus	moderate	low	moderate	moderate	Significant additional technology being installed as campus is developed
UTS response to global growth in online learning	high	moderate	moderate	moderate	Potential investment required to blend on-campus delivery with UTS provided and externally provided online learning elements
Research performance	critical	high	high	high	Risk of not achieving our research investment plan performance targets, increase research active staff
Research reform agenda	critical	moderate	high	high	The government's research reform agenda may impact on grant outcomes for UTS

#### Risk ratings

Critical: Needs active management, planning and decision-making at senior levels in short term to manage risk.  
 High: Senior management attention and action needed in short to medium term to reduce risk to acceptable levels.  
 Moderate: Line management responsibility must be defined to ensure risks are being monitored and managed effectively.  
 Low: No major concern and can be managed by routine controls or procedures.

## APPENDIX 19

### Consultants

The University paid \$27.51 million for external consulting services in 2013, of which \$15.21 million was for capital works. A total of \$6.33 million was paid for consultancies consisting individually of less than \$50,000.

Payments in excess of \$50,000 totalled \$21,184,765.81 and are listed below.

Company	Category	Project	\$
BVN Architecture Pty t/a Bligh Voller Nield	architect/design	Thomas Street Building initial design	2,008,822.50
Gehry Partners LLP	architect	Dr Chau Chak Wing Building	1,146,129.62
LTC Language & Testing Consultants Pty Ltd	language testing	language proficiency tests	1,114,974.05
The Trustee for Daryl Jackson Robin Dyke Unit Trust	architect	Dr Chau Chak Wing Building	959,248.26
The Trustee for DCM Trust t/a Denton Corker Marshall Pty Ltd ATF DCM Trust	architect	Broadway Building initial design	885,686.91
Arup Pty Limited	engineer	Dr Chau Chak Wing Building, Broadway Building initial design, Thomas Street Building initial design	741,913.26
Steensen Varming (Australia) Pty Ltd	mechanical engineer	Thomas Street Building initial design Library stacker design	666,804.43
AECOM Australia Pty Ltd	structural engineer	Dr Chau Chak Wing Building, UTS Central Precinct, Broadway Building initial design	642,679.43
The Trustee For Taylor Thomson Whitting NSW Trust t/a Taylor Thomson Whitting NSW Trust	civil engineer	Thomas Street Building initial design Library stacker design	525,510.00
Highgate Management Pty Ltd	project management	Broadway Building initial design, Dr Chau Chak Wing Building, Thomas Street Building initial design, Library stacker	508,129.10
Davis Langdon Australia Pty Limited t/a Davis Langdon	quantity surveyors	Broadway Building initial design, Thomas Street Building initial design	445,612.98
Robert Walters Pty Ltd t/a Robert Walters	project management	10EAS-14 iRecruitment System replacement, 11CTI-21 data centre housing, 13EAS-18 review product upgrade	420,085.01
The Trustee for Ionita Family Trust and the Trustee for Skinner Family Trust t/a Lean Six Sigma and Business Excellence Institute	course facilitation	various short courses	393,731.67
Hassell Ltd	architect/ interior design	Thomas Street Building initial design Library stacker design	309,895.24
Bay Partnership Pty Ltd	quantity surveyors	Broadway Building initial design, new 2000AMP sub-main from L29 switchroom to L1 switchroom, Building 1 central chiller plant upgrade — new 3000 KW chiller	302,700.00
JBA Urban Planning Consultants Pty Ltd	planning consultants	Alumni Green design, Thomas Street Building initial design	301,541.37
NDY Management Pty Ltd	sustainability engineer	energy audit implementation plan, UTS buildings	297,907.00
Waterman AHW Pty Ltd	mechanical engineer	Broadway Building initial design	290,068.49
Meinhardt (NSW) Pty Ltd	structural engineer	Building 1 central chiller plant upgrade — new 3000 KW chiller, CB10 base building (L00-L02) upgrade	277,292.36
Local Government Managers Australia	research	2013000668-artist-Australia-Indonesia partnership, AusAid — Centre for Local Government	269,998.00
Patch Solutions Pty Ltd	software consulting	10EAS-14 iRecruitment system replacement	267,937.50
V2 Systems Pty Ltd	contractor	systems implementation	254,000.00
Meteora Consulting Group Pty Ltd	project management	Centre for Study of Choice programs	250,975.40
Aurecon Australia Pty Ltd	structural engineer	Broadway Building initial design	249,878.62
Switzer Communications Pty Ltd	web portal	TOWER magazine	239,281.20
The Trustee for WL Sandy Trust t/a Total Procurement	contractor	procurement services	237,318.23
Clarkson ITT Pty Limited	course facilitation	financial analysis certificate — using Excel	227,929.85

Company	Category	Project	\$
Ensynt Pty Limited	project management	12EAS-57 staff intranet, 13CTI-07 live at Edu	218,118.43
Aspect Studios Pty Ltd	landscape architect	Alumni Green design	206,700.00
Frost Design Pty Ltd	design consultant	UTS wayfinding and public spaces design, Dr Chau Chak Wing Building	202,248.63
Commonwealth Scientific and Industrial Research Organisation t/a CSIRO	research	2012000622 langham demand reduction potential	202,009.00
DVE Business Solutions Pty Ltd	business consulting	process improvements	196,640.54
The Trustee for Kinrite Consulting	project management	Building 1 central chiller plant upgrade — new 3000 KW chiller, new 2000AMP sub-main from level 29 switchroom to level 1 switchroom, Tower EDB upgrade B1, levels 9 to 27	196,189.45
Rider Levett Bucknall NSW Pty Ltd	cost planner	Dr Chau Chak Wing Building	180,723.00
Architectus Group Pty Ltd	architect	CB10 base building (L00-L02) upgrade	179,054.00
The Smith Paul & Partners Trust t/a Warren Smith & Partners	hydraulic engineer	Alumni Green design, library stacker design	153,927.50
V Ahuja & RK Anderson & KM Astridge & SJ Audeyev & ML Austin & M Barker & AT Bartlett & A Baykitch & TG Bednall & DA Bell & T Blue & HE Bolitho & MT Bonnell & D Bortoluzzi & others t/a King & Wood Mallesons	legal services	Broadway Building initial design, Thomas Street Building initial design, Dr Chau Chak Wing Building	145,753.56
Woods Bagot Pty Ltd	architect	Building 1, level 3 — Union refurbishment teaching and learning integration	133,890.00
Pureprofile Pty Limited	research	various research projects	133,675.81
Gehry Technologies Inc	architect/design	Dr Chau Chak Wing Building	130,972.36
MovePlan Australia Pty Limited	relocation management	Campus Master Plan relocations	129,122.38
PreviousNext Pty Ltd	website design	10EAS-05 public website	126,177.75
UMR Research Pty Limited	research	2013000921 Ryan — New Planning System for NSW White Paper, DoPI White Paper consultation process	121,278.64
Solution Impact Pty Ltd	research	Centre for Study of Choice research projects	120,835.42
Enterprise IT Resources Pty Ltd	it recruitment agency	13EAS-82 Cisco Pilot, 13EAS-56 bring your own device research, Campus Master Plan relocations	114,653.20
Prendergast Projects Pty Ltd	contractor	trigeneration feasibility study, City campus	113,707.50
Caldwell Consulting Pty Limited	contractor	12EAS-01 oracle project closing and management modules, 12EAS-03 project information management system	112,000.00
Gehl Architects	design consultant	Campus Master Plan design	111,887.08
Siddiqui Jamshed Ahmed	business consulting	India in-country office VCSF — international development	110,810.96
The Trustee for i-PMO Unit Trust	website implementation	12EAS-03 project information management system	109,200.00
Bradford, Gail Patricia t/a Gail Bradford	research	various research projects	107,107.30
Medland Mitropoulos Pty Ltd	design consultant	CB10, level 8, Faculty of Arts and Social Sciences, Centre for Local Government, level 11, Institute for Sustainable Futures, CB10 base building (L00-L02) upgrade	105,165.00
Colliers International Project Services Pty Ltd	project consulting	11CTI-21 data centre housing	104,400.00
Ruffalocody Australia Pty Ltd	fundraising management	annual appeal 2013	103,250.00
AMR Interactive Pty Ltd t/a Australia Market Research Pty Ltd	organisational surveying	staff survey	100,000.00
Cogent Energy Pty Ltd	project management	trigeneration feasibility study City campus	100,000.00
AWS Consulting	business consulting	Europe in-country	94,471.50

## APPENDIX 19 (continued)

Company	Category	Project	\$
Winterford, Keren Hannah	research	2012001101 Paddon — aid choices in decentrali, 2013000094 Carrard — water safety plan equity	94,161.97
Tonkin Zulaikha Greer Pty Limited	architect	Tower Building 1 core upgrade	92,818.67
Colliers International Consultancy & Valuation Pty Limited	asset valuation/project consulting	property assessment/valuation, 11CTI-21 data centre housing	90,000.00
Stonecash Associates Pty Limited	course facilitation	RAAF AFI program 4-22 Feb 2013, education short courses, Suncorp Design Thinking 2	88,617.52
Analytics 8	business intelligence - data warehousing	13EAS-50 data warehouse automation	87,150.00
Symonds, Daniel	project management	12CTI-01 LDAP licence project	86,867.50
Procure Group Pty Ltd	project consulting	Building 1 central chiller plant upgrade — new 3000 KW chiller	84,920.68
Foran Design Pty Ltd	architect	Bulga Ngurra 23-27 Mountain St Ultimo — additional housing accommodation, investigation studies for material research lab-DAB, upgrade — Bon Marche levels 1 and 2 — public spaces	84,635.30
The Trustee for Kwik Scripts Trust	project management	student transcription services	81,690.00
Burtenshaw Scoufis Architecture Pty Ltd	architect	relocation of UTS Legal, level 18 Building 1 CB10 level 8 Faculty of Arts and Social Sciences Centre for Local Government, level 11 Institute for Sustainable Futures, relocation of student engagement and development team level 6 Building 1	80,764.00
Fishburners Limited	project management	creative intelligence internships	80,000.00
Playground Inspectors of Australia Pty Limited t/a Safety Adventure Forensic Engineering	course facilitation	Faculty of Engineering and Information Technology playground	79,204.74
Zamatech Pty Ltd	project consulting	energy audit implementation plan	77,855.51
Band, David C	business consulting	business short courses operations	77,500.00
Cadogan, Alan Keith	planning consultants	seed funding — forensic taphonomy research facility Yarrowood, development opportunities Blackfriars precinct seed funding	77,222.69
inteGREAT Consulting Engineers Pty Ltd	mechanical engineer	Building 1 central chiller plant upgrade — new 3000 KW chiller, new anatomy facilities, level 7, Building 4 and level 2, Building 1	77,205.00
Education Project Management Pty Ltd	research — GRS	2011001155 Boud — building local leadership	76,675.50
Bass, Martin t/a Bass Martin	course facilitation	Centre for Local Government projects, rural-remote and Indigenous local government	76,632.50
Altis Consulting Pty Ltd t/a Altis Consulting Pty Limited	business intelligence - data warehousing	13EAS-50 data warehouse automation, 13EAS-79 student datamart phase 1	74,140.63
Sinclair Knight Merz Pty Limited t/a Sinclair Knight Merz	architect	Thomas Street Building initial design	73,170.00
Hollow Road Farms Inc	business consulting	Research and Innovation Office international initiatives UTS strat funds	72,006.89
Finite Recruitment Pty Ltd	project management	13EAS-50 data warehouse automation	68,250.00
The Trustee for Kuttner Collins & Partners (NSW) No. 1 Trust t/a Kuttner Collins & Partner (NSW) Pty Ltd	engineer	Thomas Street Building initial design	68,200.00
Red Rock Consulting Pty Ltd	software consulting	13CTI-09 Oracle virtualisation, 13CTI-08 software licences	66,800.00
CPP Cardio Pulmonary Products Pty Ltd	software consulting	13EAS-77 Executive Education CRM rollout, 13EAS-46 student analytics phase 2, 13CTI-09 Oracle virtualisation	64,613.65
Rutovitz, Jacqueline t/a Jay Rutovitz	research	Institute for Sustainable Futures contract research expenses	63,180.00
ING Marketing & Advertising Pty Ltd	advertising agency	marketing for Learning2014	62,968.00

Company	Category	Project	\$
The Trustee for The Leading Partnership Trust	business consulting	CLC strategy and repositioning	61,920.04
Charter Link	property management	property consultancy — development	59,612.50
Howard Michael J	software consulting	Universities SparkPLUS software development improvements	58,500.00
Entity Solutions Services Pty Ltd	project management	12EAS-01 Oracle project closing and management modules	58,000.00
Prospect Research & Marketing Pty Ltd t/a Robert Lawrence & Associates	research	market research, eEducation VET pathways	57,955.00
Ron Carr Associates Unit Trust t/a Marshall Day Acoustics Pty Ltd	acoustics engineer	Dr Chau Chak Wing Building, Thomas Street Building initial design	57,151.50
Cavadini, Fabio	project consulting	new media project	57,150.00
Assurance Pty Ltd	it security	10EAS-14 iRecruitment system replacement, 12EAS-14 TRIM upgrade version 6r2 to 7	54,560.00
QS Quacquarelli Symonds Ltd	world university rankings	academic reputation benchmarking service	53,799.64
Bluefin Resources Pty Limited	market research recruitment	marketing research and unit management — Marketing and Communication Unit	53,720.80
Gray Puksand Pty. Ltd	architect	UTS wayfinding signage return brief, project B — for Dr Chau Chak Wing Building, fitout for the Design Innovation Research Centre, level 2, Building U	53,641.25
AcademyGlobal Pty Limited	research	Samsung Leadership Essentials June 2013, Samsung Leadership Essentials August 2013	51,484.84
<b>Total</b>			<b>21,184,765.81</b>



## APPENDIX 20

### Land disposals

The University disposed of no land in 2013.

## APPENDIX 21

### Land register

Property/building	Campus	Use	Building/infrastructure valuation \$'000	Land valuation \$'000
<b>Broadway</b>			531,000	215,279
Building 1 (Tower)	city	educational	–	–
Building 2 (annex to Tower)	city	educational	–	–
Building 3 (Bon Marche)	city	educational	–	–
Building 4	city	educational	–	–
Building 6 (Faculty of Design, Architecture and Building)	city	educational	–	–
The Terraces (9-13 Broadway)	city	educational	–	–
The Loft (rear of the Terraces)	city	educational	–	–
Building 10	city	educational	–	–
<b>Broadway sub-total</b>			<b>531,000</b>	<b>215,279</b>
<b>Other buildings</b>				
Building 5 (Haymarket)	city	educational	82,100	69,282
Blackfriars campus	city	educational/child care	3,900	13,580
Bulga Ngurra Student Housing	city	student housing	8,500	4,275
Geegal Student Housing	city	student housing	4,900	2,810
Gumal Ngurang Student Housing	city	student housing	28,517	17,651
Stroud Research Field Station	Stroud NSW	research station	305	270
Yarrowood Research Centre	Yarramundi NSW	educational/research	190	1,656
Vice-Chancellor's Residence	Pyrmont NSW	housing	1,786	–
Dr Chau Chak Wing Building	city	educational	–	17,882
622–632 Harris St	city	educational	3,200	6,714
634–642 Harris St	city	educational	–	5,420
644 Harris St	city	educational	100	1,935
<b>Total land and buildings</b>			<b>664,498</b>	<b>356,754</b>

Notes:

Values are based on Collier's valuation dated 31 December 2013.  
Yura Mudang student housing component is included in Building 6 (Broadway).

**APPENDIX 22****Works in progress and completed**

Building/property	Project	\$'000
Fairfax site	Broadway Building	134,089
Gehry site	Dr Chau Chak Wing Building	60,378
Thomas St	Thomas Street Building	42,600
B2	Library stacker	6,227
B1	CB01 core upgrade – lifts and lift lobbies	4,506
All sites	energy audit implementation plan, UTS buildings	3,919
B1	central plant upgrade	3,640
B2	Alumni Green	1,311
B10	level 8, Faculty of Arts and Social Sciences, Centre for Local Government level 11, Institute for Sustainable Futures	1,179
B10	upgrading of B10 lifts	1,004
B1	new 2000AMP sub-main upgrade	748
B10	base building (L00-L02) upgrade	742
B1	level 18, UTS Legal	516
B2	UTS Central Precinct	476
B5 & MA House	Law refurbishments	369
B3	Bon Marche, levels 1 and 2, public spaces	304
B1	electrical distribution boards	295
Yura Mudang	student housing	292
Bulga Ngurra	Bulga Ngurra lifts 1 and 2 lift replacement	244
public spaces	UTS wayfinding signage	462
B6	podium upgrade	216
B5	Moot Court refurbishment	209
<b>Total</b>		<b>263,726</b>

<b>A</b>		<b>L</b>	
accessUTS Pty Limited .....	123, 107–122	land	
appendices .....	123	> disposals .....	144
auditor's statements		> register .....	144
> accessUTS Pty Limited.....	110–112	legislation .....	132
> INSEARCH Limited .....	78–80	library .....	130, see also volume one
> UTS.....	4–5		
> UTS Global Pty Ltd.....	65–67	<b>M</b>	
<b>B</b>		meetings of Council members.....	124
budgets .....	see volume one	multicultural policies and services .....	130
buildings .....	144–5	<b>O</b>	
<b>C</b>		occupational health and safety... see safety and wellbeing	
consultants .....	140	<b>P</b>	
consumer response .....	133	privacy .....	133
controlled entities .....	123, see also financial statements	public	
Council, meetings of .....	124–5	> inquiry.....	138
<b>D</b>		> interest disclosures .....	138
director's reports		<b>R</b>	
> accessUTS Pty Limited.....	108–109	remuneration .....	126
> INSEARCH Limited .....	75–77	review of operations .....	see volume one
disability plans .....	131	right to information .....	134
<b>E</b>		risk management.....	139
employees .....	128, see also volume one	<b>S</b>	
> equal employment opportunity trends.....	129	safety and wellbeing.....	131
> executive performance and remuneration.....	126	senior executive .....	see also volume one
equal employment opportunity .....	129	> performance.....	126
<b>F</b>		> remuneration.....	126
financial statements		special access schemes.....	130
> accessUTS Pty Limited.....	107–122	staff.....	see employees
> INSEARCH Limited .....	74–106	<b>T</b>	
> UTS.....	2–62	travel.....	132
> UTS Global Pty Ltd.....	63–73	<b>U</b>	
freedom of information.....	see right to information	UTS Global Pty Ltd.....	63–73, 123
<b>G</b>		<b>W</b>	
<i>Government Information (Public Access) Act 2009</i> .....	134	workers compensation.....	131
<b>I</b>		work health and safety.....	see safety and wellbeing
infrastructure .....	see buildings	works in progress and completed.....	145
INSEARCH Limited .....	74–106, 123		
insurance.....	132		
internal audit.....	138		

## About the annual report **Contact details**

### Compliance

The report was written to comply with significant legislation including the *Annual Reports (Statutory Bodies) Act 1984* (NSW) and the Annual Reports (Statutory Bodies) Regulation 2010 (NSW). In its structure and writing we have striven for best practice reporting, taking into account annual reporting guidelines from state and national annual reporting awards and recommendations from the Audit Office of NSW.

### Availability

The University's annual reports are available in Portable Document Format (PDF) from the UTS website:

[www.uts.edu.au](http://www.uts.edu.au)

They are also available by request to:

Editor  
Governance Support Unit  
University of Technology, Sydney  
PO Box 123  
Broadway NSW 2007  
[publications@uts.edu.au](mailto:publications@uts.edu.au)

### Acknowledgments

The *UTS Annual Report 2013* was produced by the Governance Support Unit, Division of the Deputy Vice-Chancellor and Vice-President (Corporate Services).

Editor: Bridget Shipstone

Design: Meegan Desmond (Marketing and Communication Unit)

Printer: UTS Printing Services

### Postal address

University of Technology, Sydney  
PO Box 123  
Broadway NSW 2007  
Australia

### Street addresses

City campus  
15 Broadway  
Ultimo NSW 2007

Kuring-gai campus  
Eton Road  
Lindfield NSW 2070

### Access

The University is open for general business from 9am to 5pm weekdays. Many sections of the University are open at other times.

Contact UTS for further opening times.

+61 2 9514 2000

[www.uts.edu.au](http://www.uts.edu.au)

### UTS Student Centres

1300 ask UTS (1300 275 887)  
+61 2 9514 1222  
[www.ask.uts.edu.au](http://www.ask.uts.edu.au)


### UTS International

1800 774 816 (within Australia)  
+61 3 9627 4816 (international)  
[international@uts.edu.au](mailto:international@uts.edu.au)

CRICOS provider code 00099F

ABN 77 257 686 961  
ISSN 1031-8690 (print)  
ISSN 1837-0209 (online)





THE UTS ANNUAL REPORT 2013 PROVIDES A RECORD OF THE UNIVERSITY'S PERFORMANCE AND ACTIVITIES FOR THE YEAR. IT IS PRESENTED IN TWO VOLUMES: VOLUME ONE IS A REVIEW OF OUR OPERATIONS; AND VOLUME TWO CONTAINS OUR FINANCIAL STATEMENTS AND APPENDICES.